

ALFALAH GHP INCOME FUND

ANNUAL REPORT 2016



Alfalah Investments

CONTENTS

	Page No.
Fund's Information	2
Mission & Vision Statement	3
Report of the Directors of the Management Company	4
Report of the Fund Manager	8
Trustee Report to the Unit Holders	10
Statement of Compliance with the Code of Corporate Governance	11
Review Report to the Unit Holders on Statement of Compliance with Best Practices of the Code of Corporate Governance	13
Independent Auditors' Report to the Unit Holders	15
Statement of Assets and Liabilities	17
Income Statement	18
Statement fo Comprehensive Income	19
Distribution Statement	20
Statement fo Movement in Unit Holders' Funds	21
Statement of Cash Flows	22
Notes to the Financial Statements	23



FUND'S INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. Michael Hermann- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Abid Naqvi- Mr. Tufail Jawed Ahmad
Chief Operating Officer and Company Secretary :	- Mr. Noman Ahmed Soomro
Chief Financial Officer:	- Mr. Muhammad Shehzad Dhedhi
Audit Committee:	<ul style="list-style-type: none">- Mr. Abid Naqvi- Syed Ali Sultan- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Michael Hermann- Ms. Maheen Rahman
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Fund Manager:	- Mr. Nabeel Malik
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No.404,4th Floor Beaumont Plaza,6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Stability Rating A+ (f) by PACRA

MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of the Alfalah GHP Income Fund for the year ended June 30, 2016.

FY16 Economic Review

Pakistan's economy grew by 4.70% in FY16, the highest rate in the past eight years. This growth was mainly driven by the industrial and services sectors which was able to compensate for the agricultural sector's subdued performance. Positive developments such as greater energy availability, CPEC projects and other development projects are expected to continue to move the economy forward.

Inflation averaged 2.85% during FY16, as opposed to 4.56% in FY15, thanks to the impact of low fuel costs which have filtered into the underlying economy. Going forward, uptrend in prices of energy based commodities combined with a low base effect are likely to result in slightly higher inflation by the end of this year and start of the next. Our estimates suggest that the inflation for FY17 may hover in the range of 4.50%-4.80% which is closely in line with what SBP projections. With the policy rate at 5.75%, we have likely seen a bottoming out of interest rates with a period of stability expected.

The economy's external position remained steady throughout the second half of this fiscal year, with the result that the exchange rate moved by only -0.02% against the USD. Low exports and slowing growth of remittances undermined the benefit from a dip in international crude oil prices. Going forward, threats to the external position emanate from (i) slowing down of official transfers, especially after conclusion of the IMF program in September, 2016, (ii) possible slowdown in the growth rate of remittances, (iii) rise in oil prices, and (iv) a possible dip in export proceeds.

Equity Market:

The KSE-100 index rose by more than 3,300 points during the year to bring the return for FY16 to 9.8%. The market trended downward through the first seven months of the year before turning around towards the end of February. Slipping of international crude oil prices to 12-year lows in 2016, weakness in global equities, continuous selling pressure by foreign investors, and local broker investigations were some of the chief drivers of negative sentiments during the first seven to eight months of the year. The lower interest environment had its impact on investor's confidence on banking sector where a shrinkage in spread was expected going forward. The market finally turned around in February upon a recovery in crude oil prices. Anticipation of Pakistan's reclassification by MSCI as an Emerging Market (EM) further fueled local equities. Even following the surprising vote by the British public to exit the European Union (Brexit), the effect of the same was short lived and the benchmark KSE-100 index recovered sharply by June 2016.

The rally in the last quarter of the year was mostly attributable to anticipation of Pakistan's reclassification as an emerging market by MSCI. The top drivers of the Index were all stocks that were expected to be included in MSCI's Emerging Market Index (Large, Mid and Small-Cap).

Money Market:

Subdued inflation and the resultant slashing of the policy rate twice during FY16, first by 50bps in September 2015 and then by 25bps in May 2016, helped drop yields by 100-250bps during the year. Highest dip in yields was witnessed for 4 to 10 year instruments, with the resultant spread over Discount rate shrinking considerably which signified that the market expects the interest rates to remain lower for longer.

Future Outlook

The stock market is expected to perform better in FY17 due to (i) Pakistan's equities' reclassification into MSCI's emerging market index, and (ii) announcement of Federal Budget for FY18 that is expected to be friendly towards the business and agricultural sectors as the Government gears up for the final year of its current term.

Given an outlook of subdued inflation in the short term and slightly higher CPI growth towards the end of 2016, it may be expected that the monetary policy rate will remain stable for the medium term. Factors that can lead to a sooner than expected rate hike include (i) further strengthening of oil prices due to reduced gap between demand and supply by 2017, (ii) greater than expected rise in prices of other energy related commodities, and (iii) pressure on PKR due to widening of the current account deficit.

FUND PERFORMANCE AND REVIEW

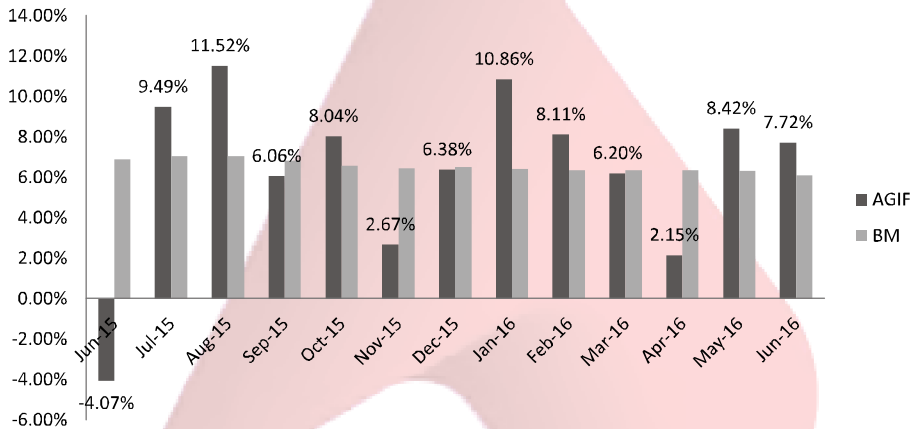
During the period under review, AGIF strived to capture higher accruals with an effort to restrict volatility as much as possible. For this purpose, concentration focus was on accumulating medium-long term government treasuries and TFCs with higher credit ratings.

The fund generated a return of 7.56% in FY16. During the same period the benchmark return (6M Kibor) stood at 6.53%. The funds performance remained stable during the year. The fund maintained a stable portfolio of good quality TFCs along with medium-long term PIBs. Due to monetary easing during the year the fund was able to outperform the benchmark by focusing on government treasuries and realizing capital gains on the TFC holdings.

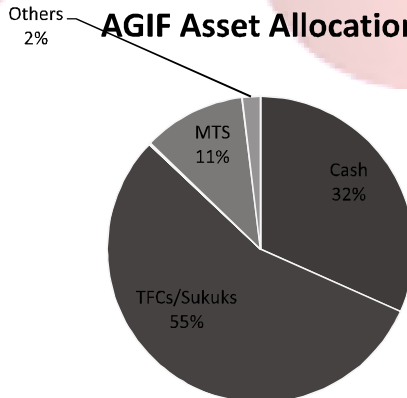
Going forward the fund intends to maintain lower exposure in Govt. bonds while reducing the duration and realize trading gains, where applicable, so as to keep the positive performance on track.

The fund's credit rating was maintained at "A+(f)" by PACRA.

AGHP Income Fund Vs Benchmark



AGIF Asset Allocation



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2016	For the year ended June 30 ,2015
Average Net Assets	1,531.055	1,111.395
Gross income	140.823	201,525
Total Comprehensive Income	33.151	93.521
Net Assets Value per Unit (PKR)	110.7178	105.3463
Issuance of units during the period	1,950.139	1,544.178
Redemption of units during the period	2,519.649	2,515.598

Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 2.6173 per unit.

Corporate Governance

The Management Company is committed to maintain the highest standards of Corporate Governance. Accordingly, the Board of Directors states that:

- a) Financial Statement represents fairly the state of affairs of funds under management of Alfalsh GHP Investment Management Limited, the results of their operations, cash flows and the changes in Unit-holders funds.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon Funds under management of Alfalsh GHP Investment Management Limited's ability to continue as a going concern.
- g) Outstanding statutory payment on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
- h) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- i) The summary of key financial data is given above in this Director Report.
- j) Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- k) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- l) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2016 as given in note # 21.1
- m) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2016 is given in note # 21.1;

Board of Directors

Name of Director	Designation	Meetings Held	Meetings Attended	Leave Granted
Syed Ali Sultan	Chairman	5	5	-
Mr. Amin Dawood Saleh	Director	5	5	-
Mr. Michael Buchen	Director	5	5	-
Mr. Hanspeter Beier	Director	5	2	68th, 70th & 72nd BOD

Ms. Maheen Rahman	Chief Executive Officer	5	5	-
Mr. Abid Naqvi	Director	5	5	-
Mr. Asif Saad	Director	-	-	-
Syed Tariq Husain	Director	1	-	70th BOD
Mr. Tufail J. Ahmad	Director	2	2	

Change in Board Members during the year

Name	Designation	Appointed	Resigned.
Mr. Asif Saad	Director		Resigned
Syed Tariq Husain	Director	Appointed	Resigned
Mr. Tufail J. Ahmad	Director	Appointed	

The Board places on record their thanks and appreciation to outgoing Directors for their valuable contributions in the progress of the Company.

Audit Committee Meetings

Below are the detail of Audit Committee meetings held during the period and attendance of Audit Committee Members.

Member	Meetings Held	Meetings Attended
Mr. Abid Naqvi	4	4
Syed Ali Sultan	4	4
Mr. Amin Dawood Saleh	4	2

Acknowledgement

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Management Company and the Trustee for their dedication and hard work and the unit holders for their confidence in the Management.

For and behalf of the Board

Chief Executive Officer
September 22, 2016

REPORT OF THE FUND MANAGER

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

To minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the unit holders.

Accomplishment of Objective

The Fund has achieved its objective of generating regular income by investing in low duration fixed income instruments within the guidelines provided under NBFC rules.

Market Review

Subdued inflation and the resultant slashing of the policy rate twice during FY16, first by 50bps in September 2015 and then by 25bps in May 2016, helped drop yields by 100-250bps during the year. Highest dip in yields was witnessed for 4 to 10 year instruments, with the resultant spread over Discount rate shrinking considerably which signified that the market expects the interest rates to remain lower for longer.

Given an outlook of subdued inflation in the short term and slightly higher CPI growth towards the end of 2016, it may be expected that the monetary policy rate will remain stable for the medium term. Factors that can lead to a sooner than expected rate hike include (i) further strengthening of oil prices due to reduced gap between demand and supply by 2017, (ii) greater than expected rise in prices of other energy related commodities, and (iii) pressure on PKR due to widening of the current account deficit.

Fund Performance

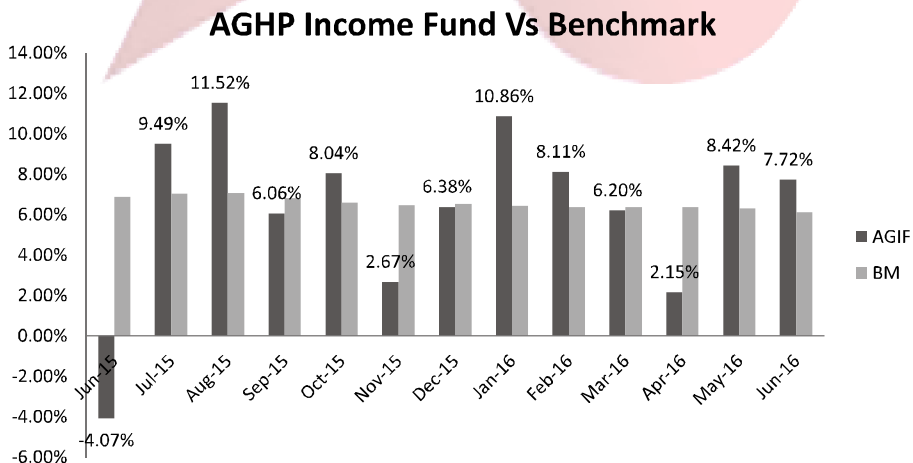
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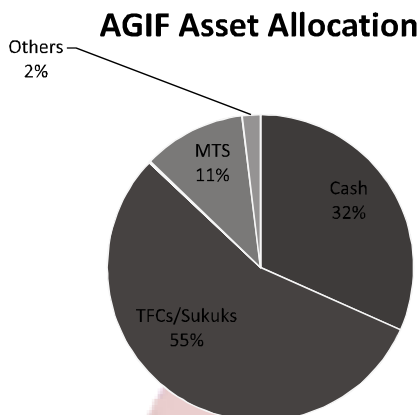
The fund generated a return of 7.56% in FY16. During the same period the benchmark return (6M Kibor) stood at 6.53%. The funds performance remained stable during the year. The fund maintained a stable portfolio of good quality TFCs along with medium-long term PIBs. Due to monetary easing during the year the fund was able to outperform the benchmark by focusing on government treasuries and realizing capital gains on the TFC holdings.

Going forward the fund intends to maintain lower exposure in Govt. bonds while reducing the duration and realize trading gains, where applicable, so as to keep the positive performance on track.

The fund's credit rating was maintained at "A+(f)" by PACRA.

Performance comparison with Benchmark



Assets Allocation/Portfolio quality

Credit Quality (as % of Total Assets)

Govt. Sec / Guar.	0.15%	A	0.00%
AAA	0.03%	A-	0.00%
AA+	5.22%	BBB+	0.00%
AA	30.13%	BBB	0.00%
AA-	47.21%	Below IG	0.00%
A+	4.46%	MTS/NR/UR	12.79%

Future Outlook

The Fund plans to shift into a more moderate risk profile over FY17 with increased allocation to high yield instruments such as corporate bonds and placements with banks/DFIs and MTS. As the prevailing interest rate environment favors investment in short-medium dated instruments the Fund will look forward to raise its exposure in the corporate bonds having higher credit rating and strong spreads over KIBOR along with short-medium term government securities.

Key Financial Data

(Rupees in Million)

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Redemption of units during the period	2,519.649	2,515.598

Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 2.6173 Per unit.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED****Head Office:**

CDC House, 99 B, Block 'B',
S.M.C.H.S. Main Shakra-e-Faisal,
Karachi - 74400, Pakistan.
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 FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2016 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


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

Karachi: September 16, 2016



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Regulation No.5.19.23 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

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

1. The Management Company encourages representation of independent, executive and non-executive directors. At June 30, 2016 the Board includes:

Category	Names
Executive Director	Ms. Maheen Rahman (deemed director u/s 200 of Companies Ordinance, 1984)
Independent Directors	Mr. Abid Naqvi Mr. Tufail Jawed Ahmad
Non-Executive Directors	Mr. Syed Ali Sultan Mr. Michael Buchen Mr. Hanspeter Beier Mr. Amin Dawood Saleh

The Independent Directors meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One Casual vacancy occurring on the Board on March 18, 2016 was filled within 10 days and another occurring on July 09, 2015 was filled on December 09, 2015.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management 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 Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged two training programs for its directors during the year.



10. The Board has approved appointment of CFO including the remuneration and terms and conditions of appointment.
11. The Directors' Report of the Fund for the year ended June 30, 2016 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO / COO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding.
14. The Management Company and Funds under its Management have complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The board has outsourced the internal audit function to M. Yousuf Adil Saleem & Co., Chartered Accountants (a member firm of Deloitte Touché Tohmatsu International), who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'Book Closure' dates were duly determined and intimated to the stock exchange, however the 'closed period' prior to the announcement of interim / final results, and business decisions was not determined and intimated to directors, employees and the stock exchange, considering the fact that NAV of the Fund is announced on a daily basis.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board

**Maheen Rahman
Chief Executive Officer**



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
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REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Alfalah GHP Investment Management Limited (the Management Company) of **Alfalah GHP Income Fund** (the Fund) for the year ended **30 June 2016** to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.23 of the Code of Corporate Governance, where the Fund is listed.

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

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

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of 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 does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2016.

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Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph references where these are stated in the Statement:

Paragraph Reference	Description
4	The casual vacancy occurring on the Board on 09 July 2015 was not filled within 90 days.
21	The 'closed period' was not determined and intimated to directors, employees and stock exchange.

EY

Chartered Accountants

Karachi

Date: September 22, 2016



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Alfalsh GHP Income Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2016, and the related statements of income, comprehensive income, cash flows, distribution and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of approved accounting standards as applicable in Pakistan, and for such internal control as 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.





: 2 :-

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 2016** and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of matter

We draw attention to note 16.1 to the accompanying financial statements which explains the matter with respect to the contribution for Workers' Welfare Fund amounting to Rs.15.570 million for which no provision has been made in these financial statements.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Chartered Accountants



Audit Engagement Partner: Shabbir Yunus

Date: September 22, 2016

Karachi



STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015 -----
Assets			
Bank balances	7	212,430,636	331,313,079
Investments	8	372,698,039	972,862,892
Security deposits	9	2,850,000	2,850,000
Prepayments, deposits and other receivables	10	10,043,447	25,602,069
Receivable against Margin Trading System (MTS)		72,926,401	25,069,146
Total assets		670,948,523	1,357,697,186
Liabilities			
Payable to the Management Company	11	13,681,653	9,025,448
Payable to the Trustee	12	217,662	147,653
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	13	1,119,964	1,105,383
Payable to unit holders		-	222,715,835
Provision for Workers' Welfare Fund (WWF)	14	4,620,944	4,620,944
Accrued and other liabilities	15	12,467,909	8,686,817
Total liabilities		32,108,132	246,302,080
Net assets attributable to unit holders		638,840,391	1,111,395,106
Unit holders' fund (as per the statement attached)		638,840,391	1,111,395,106
Contingencies and commitments	16	----- (Number of units) -----	
Number of units in issue		5,769,988	10,549,898
		----- (Rupees) -----	
Net asset value per unit		110.7178	105.3463

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015
Income			
Finance income	17	118,259,415	153,515,558
At fair value through profit or loss - held-for-trading			
- Net gain on sale of investments		19,285,967	24,676,648
- Net unrealised gain on revaluation of investments		3,277,283	23,332,745
		22,563,250	48,009,393
Total income		140,822,665	201,524,951
Expenses			
Remuneration of the Management Company	11.1	19,145,430	18,423,110
Sales tax on management fee		3,109,281	3,205,638
Federal excise duty on management fee	18	3,063,270	2,947,698
Remuneration of the Trustee		2,143,542	2,100,945
Sales tax on Trustee fee		314,444	-
Annual fee to the SECP		1,134,366	1,105,383
Brokerage expense		191,715	194,237
Bank and settlement charges		132,992	152,926
Auditors' remuneration	19	564,666	558,022
Annual listing fee		39,017	40,000
Annual rating fee		293,623	302,490
Clearing charges		1,831,294	1,746,232
CDS charges		165,828	73,590
Printing charges		140,929	88,000
Provision for Workers' Welfare Fund	14	-	1,908,599
Expenses allocated by the Management Company	11.2	907,887	-
Total expenses		33,178,284	32,846,870
Net income from operating activities		107,644,381	168,678,081
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		(74,493,408)	(75,156,736)
Net income for the year before taxation		33,150,973	93,521,345
Taxation	20	-	-
Net income for the year after taxation		33,150,973	93,521,345

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
Net income for the year after taxation	33,150,973	93,521,345
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>33,150,973</u>	<u>93,521,345</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016**

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
Undistributed income brought forward:		
Realised gains	35,814,934	9,032,721
Unrealised gains / (losses)	23,332,745	(1,849,265)
	59,147,679	7,183,456
 Element of loss and capital losses included in prices of units sold less those in units redeemed - net	 (26,798,419)	 -
 Total comprehensive income for the year	 33,150,973	 93,521,345
 Interim distribution of cash dividend @ Rs.2.6173 per unit (2015: @ Rs.7.3777 per unit) approved on June 29, 2016	 (10,688,937)	 (41,557,122)
	(10,688,937)	(41,557,122)
	(10,688,937)	(41,557,122)
 Undistributed income carried forward	 54,811,296	 59,147,679
 Undistributed income carried forward:		
Realised gains	51,534,013	35,814,934
Unrealised gains	3,277,283	23,332,745
	54,811,296	59,147,679

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalsh GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
Net assets at beginning of the year [Net asset value: Rs.105.3463 per unit (2014: Rs.100.4208 per unit)]		1,111,395,106	1,955,694,254
Amount realised on issuance of 17,798,329 units (2015: 14,636,431 units)		1,950,139,270	1,544,177,883
Amount paid on redemption of 22,578,239 units (2015: 23,561,529 units)		(2,519,649,429)	(2,515,597,990)
		541,884,947	984,274,147
Element of loss and capital losses included in prices of units sold less those in units redeemed - net		74,493,408	75,156,736
Total comprehensive income for the year before capital gains - realised and unrealised		10,587,723	45,511,952
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading		19,285,967	24,676,648
Net unrealised gain on investments classified as 'at fair value through profit or loss - held-for-trading'		3,277,283	23,332,745
Total comprehensive income for the year		33,150,973	93,521,345
Distributions made during the year			
Interim distribution of cash dividend @ Rs.2.6173 per unit (2015: @ Rs.7.3777 per unit) approved on June 29, 2016		(10,688,937)	(41,557,122)
Net total comprehensive income less distributions for the year		22,462,036	51,964,223
Net assets at end of the year [Net asset value: Rs.110.7178 per unit (2015: Rs.105.3463 per unit)]		638,840,391	1,111,395,106

The annexed notes from 1 to 26 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	33,150,973	93,521,345
Adjustments for:		
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	(19,285,967)	(24,676,648)
Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading	(3,277,283)	(23,332,745)
Provision for Workers' Welfare Fund (WWF)	-	1,908,599
Element of loss and capital losses included in prices of units sold less those in units redeemed - net	74,493,408	75,156,736
	85,081,131	122,577,287
Decrease in assets		
Investments - net	524,403,691	144,232,070
Security deposits	-	-
Prepayments, deposits and other receivables	15,558,622	7,506,956
Receivable against Margin Trading System (MTS)	(47,857,255)	79,069,215
Advance against Pre IPO Investment	-	50,000,000
	492,105,058	280,808,241
(Decrease) / Increase in liabilities		
Payable to the Management Company	4,656,205	2,553,242
Payable to the Trustee	70,009	(50,244)
Annual fee payable to SECP	14,581	(253,606)
Payable to unit holders	(222,715,835)	222,715,835
Accrued and other liabilities	(6,559,162)	7,507,305
	(224,534,202)	232,472,532
Net cash generated from operating activities	352,651,987	635,858,060
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(8,711,163)	(41,557,122)
Amounts received on issuance of units	1,950,139,270	1,544,177,883
Payments made against redemption of units	(2,511,286,949)	(2,515,597,990)
Net cash used in financing activities	(569,858,842)	(1,012,977,229)
Net decrease in cash and cash equivalents during the year	(217,206,855)	(377,119,169)
Cash and cash equivalents at beginning of the year	430,632,072	807,751,241
Cash and cash equivalents at end of the year	21 <u>213,425,217</u>	<u>430,632,072</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on December 07, 2006. It has been constituted under a Trust Deed, dated December 18, 2006 between IGI Funds Limited (Former Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited (Former Management Company) to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

The Fund is an open ended income scheme and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Pakistan Stock Exchange Limited (formerly: Lahore Stock Exchange Limited). The Fund was launched on April 14, 2007.

The Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.

The SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund.

Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a AM2 (Outlook: Stable) rating to the Management Company as of June 08, 2016.

PACRA has assigned a rating of A+(f) to the scheme as of December 31, 2015.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulations) and directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the requirements of the said directives prevail.

3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention, except for investments classified as 'at fair value through profit or loss' category are measured at fair value.
- 3.2 The financial statements are presented in Pak rupees, which is the Fund's functional and presentation currency.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, 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 judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 5.2 and 5.5.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described in note 5.1.

5.1 New and amended standards and interpretations

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above accounting standards did not have any effect on the financial statements, except for IFRS 13, which requires certain additional disclosure (see note 23.5).

5.2 Investments

The investments of the Fund, upon initial recognition, are classified as investment at fair value through profit or loss or held to maturity investments as appropriate.

All investments, are initially measured at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs that are directly attributable to acquisition.

All regular way purchases / sales of investments that require delivery within the time frame established by the regulation of market convention are recognised on the trade date, i.e. the date on which the Fund commits to purchase / sell the investment. Regular way purchases / sales of investments require delivery of securities within the period generally established by the regulation or market convention such as "T+2".

- Fair value through profit or loss - held-for-trading

Investments which are acquired principally for the purposes of selling in the near term and are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking are classified as held-for-trading.

These investments are initially recognised at fair value, being the cost of the consideration given.

After initial measurement, these are carried at fair value and the gains or losses on revaluation are recognised in the income statement.

- Held to maturity

Investment securities with fixed maturities and fixed or determinable payments are classified as 'held-to-maturity investments' when management has both the intention and ability to hold to maturity. After initial measurement, such investments are carried at amortised cost less any provision for impairment except for in case of debt securities and government securities, which are carried at fair value in accordance with the requirements of the NBFC Regulations.

Fair value of investments is determined as follows:

Debt securities

These are valued at the rates quoted by Mutual Funds Association of Pakistan (MUFAP) in accordance with the SECP's Circular No. 33 of 2012 dated October 24, 2012, read with Regulation 66(b) of the NBFC Regulations.

Government securities

The Government securities are revalued at their fair values (determined by reference to the quotations obtained from the PKRV and PKISRV Reuters rate circulated by Mutual Funds Association of Pakistan), based on the remaining tenure of the security.

5.3 Derivative Financial Instruments

Derivative instruments generally comprise of futures contracts, options and forwards contracts etc. in the capital market. These are initially recognised at cost and are subsequently remeasured at their fair value. The fair value of derivative instruments is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the instrument. Derivative with positive market values (un-realised gains) are included in other assets and derivatives with negative market values (un-realised losses) are included in other liabilities in the statement of asset and liabilities. The resultant gains and losses are included in the income currently.

Derivative financial instruments entered into by the Fund do not meet the hedging criteria as defined by IAS-39 Financial Instruments: Recognition and Measurement, consequently hedge accounting is not used by the Fund.

5.4 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repos) are not recognised in the statement of assets and liabilities. Amounts paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

Transactions of sale under repurchase (repo) of marketable and government securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of assets and liabilities and are measured in accordance with accounting policies for investment securities. The counterparty liabilities for amounts received under these transactions are recorded as financial liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

5.5 Impairment of financial assets

An assessment is made at each statement of assets and liabilities date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss, is recognised in the income statement.

An impairment loss in respect of investments classified as 'held to maturity' and measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

Impairment losses on above investments are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

5.6 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.

5.7 Issue and redemption of units

Units issued are recorded at the offer price prevalent on the day on which application form, (complete in all respects) is received. The offer price represents the net asset value of units at the end of the day plus the allowable sales load. The sales load is payable to the Management Company as processing fee. Issue of units is recorded on acceptance of application for sale.

Units redeemed are recorded at the redemption price, prevalent on the day on which the redemption form (complete in all respects) is accepted. The redemption price represents the net asset value of units at the end of the day. Redemption of units is recorded on acceptance of application for redemption.

5.8 Net asset value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at year end.

5.9 Revenue recognition

- Gains or losses arising on sale of investments are included in the income statement in the period in which they arise.
- Unrealised gains or losses arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the income statement in the period in which they arise.
- Interest income on reverse repurchase transactions, term deposit receipts, investment in debt securities, government securities and bank balances is recognised on a time proportion basis using effective interest rate method.

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

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

The element of income and capital gains included in the prices of units issued less those in unit redeemed to the extent that is represented by distributable income earned during the year is recognised in the income statement and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the distribution statement.

During the year, the management has revised the method of computation of the "Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" (the Element) in the Fund. As per revised methodology, the Element is arrived at by recording element gain / (loss) on every issuance and redemption using adjusted profit factor of that particular day. Previously, the Fund used to calculate the Element by comparing unit prices with opening Ex-Net Assets Value (NAV) at the beginning of the financial year.

The impact of change has been incorporated in the financial statements of the Fund with effect from July 01, 2015. The revised methodology would ensure that the continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units.

Since the element is an equalisation account between income for the period and undistributed income, the change did not have any impact on Net Asset Value (NAV) of the Fund. Had the methodology not been changed, the net income for the year ended June 30, 2016 would have been higher by Rs.8.529 million.

5.11 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates, if any. The Fund is exempt from taxation under clause 99 of Part I of the 2nd Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed in cash amongst the unit holders.

5.12 Financial assets and financial liabilities

All financial assets and financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income statement currently.

Financial assets carried in the statement of assets and liabilities include bank balances, investments, security deposits and mark-up / return receivable on bank balances and term finance certificates.

Financial liabilities carried in the statement of assets and liabilities include payable to the Management Company, remuneration payable to the Trustee and accrued and other liabilities.

5.13 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amount and the Fund intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.14 Provision

A provision is recognised in the statement of assets and liabilities when the Fund has a legal or constructive obligation as result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are regularly reviewed and are adjusted to reflect the current best estimate.

5.15 Receivable Against Margin Trading System (MTS)

Transactions for purchase of marketable securities under Margin Trading System (MTS) are entered into at contracted rates for specified period of time. Securities purchased under the MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreement is recognised as "Receivable against Margin Trading System (MTS)". Profit is recognised on accrual basis using the effective interest rate method. Cash releases are adjusted against the receivable as reduction in the amount of receivable. The maximum maturity of a MTS contract is 60 calendar days and 25% of the exposure is released automatically at the expiry of every 15th calendar day.

5.16 Cash and cash equivalents

Cash and cash equivalent comprise of bank balances and investments which are readily convertible to known amount of cash subject to an in significant risk of changes in values and have maturities of less than three months from the date of acquisition.

5.17 Distribution to unit holders

Distributions declared including the bonus units are recorded in the period in which they are approved. Regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders.

5.18 Other assets

Other assets are stated at cost less impairment losses, if any.

5.19 Liabilities

All expenses including management fee and trustee fee are recognised in the income statement as and when incurred.

6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

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

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment) an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements Disclosure Initiative (Amendment)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Fund expects that such improvements to the standards will not have any material impact on the Fund's financial statements in the period of initial application.

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

Standard	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

	Note	June 30,	June 30,
		2016	2015
		----- (Rupees) -----	
7. BANK BALANCES			
Deposit accounts	7.1	<u>212,430,636</u>	<u>331,313,079</u>

7.1 These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 5.50% to 6.70% (2015: 6.00% to 7.00%) per annum. This includes Rs.202.161 million (2015: Rs.123.657 million) placed with Bank Alfalah Limited (a related party).

8. INVESTMENTS

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

Sukuk certificates	8.1	208,349,163	50,517,187
Term finance certificates	8.2	163,354,295	182,145,653
Market treasury bills	8.3	994,581	395,702,652
Pakistan Investment Bonds	8.4	-	344,497,400
		<u>372,698,039</u>	<u>972,862,892</u>

Held to maturity

Letters of Placement	8.5	-	-
Term Deposit Receipts	8.6	-	-
		<u>-</u>	<u>-</u>

8.1 Sukuk certificates - 'at fair value through profit or loss' - held-for-trading

Name of the investee company	Yield per annum	Maturity date	As at July 01, 2015	Purchased during the year	Matured / Sold during the year	As at June 30, 2016	Carrying value as at June 30, 2016	Market value as at June 30, 2016	Net unrealised gain / (loss) on revaluation of investments	Net assets on the basis of market value	Total investment on the basis of market value	Investment as % of issue size	Rating
			----- (Number of certificates) -----			----- (Rupees) -----			----- (%) -----				
Engro Fertilizer Limited (July 09, 2014)	6 Months Kibor + 1.75%	July 09, 2019	10,000	-	-	10,000	46,250,000	47,930,413	1,680,413	7.50%	12.86%	1.50%	AA-
Hascol Petroleum Limited (January 07, 2016)	3 Months Kibor + 1.50%	January 07, 2022	-	15,000	-	15,000	75,000,000	77,418,750	2,418,750	12.12%	20.77%	3.87%	AA-
Engro Fertilizer Limited - PP (May 17, 2016)	6 Months Kibor + 0.40%	November 16, 2016	-	83	-	83	83,000,000	83,000,000	-	12.99%	22.27%	2.77%	AA-
Total as at June 30, 2016							204,250,000	208,349,163	4,099,163				
Total as at June 30, 2015							48,750,000	50,517,187	1,767,187				

8.2 Term Finance Certificates (TFCs) - 'at fair value through profit or loss' - held-for-trading

Name of the investee company	Yield per annum	Maturity date	As at July 01, 2015	Purchased during the year	Redeemed / sold during the year	As at June 30, 2016	Carrying value as at June 30, 2016	Market value as at June 30, 2016	Net unrealised gain / (loss) on revaluation of investments	Net assets on the basis of market value	Total investment on the basis of market value	Investment as % of issue size	Rating
			----- (Number of certificates) -----			----- (Rupees) -----			----- (%) -----				
Quoted investments													
Pakistan Mobile Communications Limited - VII	3 Months Kibor + 2.65%	April 18, 2016	450	-	450	-	-	-	-	0.00%	0.00%	0.00%	AA-
Faysal Bank Limited (December 27, 2010)	6 Months Kibor + 2.25%	December 24, 2017	9,000	-	-	9,000	34,132,230	34,074,329	(57,901)	5.33%	9.14%	1.14%	AA-
							34,132,230	34,074,329	(57,901)				
Unquoted investments													
Bank Alfalah Limited - IV - (Floating) (a related party)	6 Months Kibor + 2.50%	December 02, 2017	1,800	-	-	1,800	9,246,276	9,129,561	(116,715)	1.43%	2.45%	0.18%	AA-
Bank Alfalah Limited - V (a related party)	6 Months Kibor + 1.25%	February 20, 2021	15,800	-	3,000	12,800	64,135,773	65,223,206	1,087,433	10.21%	17.50%	1.30%	AA-
NIB Bank Limited (Floating) (refer note 8.2.1)	6 Months Kibor + 1.15%	June 19, 2022	6,000	-	-	6,000	29,976,000	29,927,199	(48,801)	4.68%	8.03%	0.75%	A+
Jahangir Siddiqui & Company Limited	6 Months Kibor + 1.65%	May 16, 2021	-	5,000	-	5,000	25,000,000	25,000,000	-	3.91%	6.71%	0.63%	AA+
							128,358,049	129,279,966	921,917				
Total as at June 30, 2016							162,490,279	163,354,295	864,016				
Total as at June 30, 2015							182,192,801	182,145,653	(47,148)				

8.2.1 Investment includes 3,000 Term Finance Certificates of NIB Bank Limited which have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

8.3 Circular No.16 dated July 07, 2010 issued by the SECP requires details of investments not compliant with the investment criteria specified for the category assigned to open-end collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in the annual accounts of the Fund. The table below gives the details of such non-compliant investments.

Disclosure of excess exposure as at June 30, 2016

Name of investment	Exposure Type	% of net assets	Limit in %	Excess in %
Bank Alfalah Limited - IV - (Floating) (a related party)	Per issue	11.64	10	2
Hascol Petroleum Limited (January 07, 2016)	Per issue	12.12	10	2
Engro Fertilizer Limited (July 09, 2014)	Per issue	20.49	10	10
Investment in TFCs - Commercial Banks	Sector	25.56	25	0.56

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

Note	Face value				Balance as at June 30, 2016		Unrealised gain on revaluation	Net assets on the basis of market value	Investment on the basis of market value	
	As at July 01, 2015	Purchased during the year	Sold / matured during the year	As at June 30, 2016	Carrying Value as at June 30, 2016	Market value as at June 30, 2016				
	----- (No. of certificates) -----				----- (Rupees) -----				----- (%) -----	
Market Treasury Bills - 3 months	8.3.1	1,000,000	18,460,000	19,450,000	10,000	994,304	994,581	277	0.16%	0.27%
Market Treasury Bills - 6 months		3,000,000	6,350,000	9,350,000	-	-	-	-	-	-
Market Treasury Bills - 12 months		-	6,207,000	6,207,000	-	-	-	-	-	-
Total as at June 30, 2016		4,000,000	31,017,000	35,007,000	10,000	994,304	994,581	277		
Total as at June 30, 2015		9,700,000	29,168,000	34,868,000	4,000,000	395,737,341	395,702,652	(34,689)		

8.3.1 These represent market treasury bills having face value of Rs.1 million (2015: Rs.100 million) and carrying purchase yield of 6.20% (2015: 6.92%) per annum. These market treasury bills will mature on August 04, 2016 (2015: August 06, 2015).

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

	Units				Balance as at June 30, 2016		Unrealised gain on revaluation	Net assets on the basis of market value	Investment on the basis of market value
	As at July 01, 2015	Purchased during the year	Sold / matured during the year	As at June 30, 2016	Carrying Value as at June 30, 2016	Market value as at June 30, 2016			
	----- (No. of certificates) -----				----- (Rupees) -----				----- (%) -----
Pakistan Investment Bonds - 3 years		500,000	3,950,000	4,450,000	-	-	-	-	-
Pakistan Investment Bonds - 5 years		1,650,000	1,600,000	3,250,000	-	-	-	-	-
Pakistan Investment Bonds - 10 years		1,000,000	1,250,000	2,250,000	-	-	-	-	-
Total as at June 30, 2016		3,150,000	6,800,000	9,950,000	-	-	-	-	-
Total as at June 30, 2015		3,800,000	4,700,000	5,350,000	3,150,000	321,509,296	344,497,400	22,988,104	

8.5 Letters of placement - held to maturity

Name of the investee company	Rate of return per annum	Face value				Carrying value as at June 30, 2016	Maturity	Rating	Net assets on the basis of face value	Total investment on the basis of face value
		As at July 01, 2015	Purchased during the year	Matured during the year	As at June 30, 2016					
		----- (Rupees) -----								
Pak Oman Investment Company Limited	6.50%	-	40,000,000	40,000,000	-	-	-	-	-	
Total as at June 30, 2016		-	40,000,000	40,000,000	-	-	-	-	-	
Total as at June 30, 2015		-	-	-	-	-	-	-	-	

8.6 Term Deposit Receipts - held to maturity

Name of the investee company	Rate of return per annum	Face value				Carrying value as at June 30, 2016	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
		As at July 01, 2015	Purchased during the year	Matured during the year	As at June 30, 2016					
		----- (Rupees) -----								
Allied Bank Limited	6.70%	-	150,000,000	150,000,000	-	-	-	-	-	
Bank Alfalah Limited a related party	6.45%	-	75,000,000	75,000,000	-	-	-	-	-	
Total as at June 30, 2016		-	225,000,000	225,000,000	-	-	-	-	-	
Total as at June 30, 2015		-	-	-	-	-	-	-	-	

		June 30, 2016	June 30, 2015
	Note	----- (Rupees) -----	
9. SECURITY DEPOSITS			
Security deposits with:			
- National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
		<u>2,850,000</u>	<u>2,850,000</u>
10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES			
Prepayments:			
NCCPL - margin trading system fee		179,730	177,115
Considered good			
Security margin with NCCPL		1,819,324	1,819,324
Mark-up / return receivable on:			
- Bank balances		1,586,660	738,520
- Term finance certificates		5,807,517	5,892,076
- Margin trading system		383,851	272,581
- Pakistan Investment Bonds		-	16,436,088
Advance tax		266,365	266,365
		<u>10,043,447</u>	<u>25,602,069</u>
11. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	11.1	1,502,308	1,186,412
Sales tax payable on management fee		1,562,614	206,436
Federal excise duty on management fee	18	9,778,882	7,632,600
Sales load payable		48,584	-
Expenses allocated by the Management Company	11.2	789,265	-
		<u>13,681,653</u>	<u>9,025,448</u>

11.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the NBFC Regulations, of an amount not exceeding three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the management fee is charged @ 1.25% (2015: 1.25%) of the average daily net assets of the Fund.

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

	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
12. PAYABLE TO THE TRUSTEE			
Trustee fee	12.1	178,030	147,653
Sales tax on trustee fee		39,632	-
		<u>217,662</u>	<u>147,653</u>

- 12.1** 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 billion	0.17% p.a. of net assets
1 billion to 5 billion	Rs.1.7 million plus 0.085% p.a. of net assets exceeding Rs.1 billion
Over 5 billion	Rs.5.1 million plus 0.07% p.a. of net assets exceeding Rs.5 billion

13. ANNUAL FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% (2015: 0.075%) of the average daily net assets of the Fund.

14. PROVISION FOR WORKERS' WELFARE FUND (WWF)

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs.0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In August 2011, the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts 2006 and 2008 have been declared unconstitutional and therefore struck down. In March 2013, the SHC larger bench issued a judgment in response to various petitions in similar cases whereby the amendments introduced in the WWF Ordinance through Finance Acts 2006 and 2008 respectively (Money Bills) have been declared constitutional and overruled a single-member Lahore High Court (LHC) bench judgment issued in August 2011.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the WWF Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

As per the legal counsel handling the case, the constitutional petition filed by the CIS to challenge the WWF contribution has not been affected by SHC judgment.

As a matter of abundant caution, with effect from July 01, 2013, the Fund has started making provision in respect of contribution to WWF prospectively. Accordingly, the Management Company has made provision for WWF amounting to Rs.4.621 up till June 30, 2015 (2015: Rs.4.621 million) in these financial statements. Had the provision not been made, the net asset value per unit of the Fund would have been higher by Re.0.801 (0.72%) per unit (2015: Re.0.44 (0.42%) per unit) (see note 16.1).

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made from July 01, 2013 to June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

15. ACCRUED AND OTHER LIABILITIES	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
Brokerage and settlement charges		116,418	25,688
Auditors' remuneration		410,081	413,005
Annual rating fee		559,708	266,085
Clearing charges		130,876	14,747
Sales load		857,814	-
Printing charges		52,758	45,415
Withholding tax and capital gains tax		8,362,480	7,921,877
Withholding tax on dividend		1,977,774	-
		<u>12,467,909</u>	<u>8,686,817</u>

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

As disclosed in note 14, the Fund commenced making provision in respect of WWF with effect from July 01, 2013. The aggregate unrecognised amount of WWF upto June 30, 2013 amounted to Rs.15.570 million.

16.2 Commitments

There were no commitments outstanding as at June 30, 2016.

17. FINANCE INCOME	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
Interest income on:			
Investments classified as 'at fair value through profit or loss' - held-for-trading			
- Term finance certificates		20,793,056	31,343,937
- Market treasury bills		26,676,167	38,783,751
- Pakistan investment bonds		44,870,994	57,874,736
		92,340,217	128,002,424
Held to maturity			
- Certificates of investment		-	4,802,055
- Letters of placement		7,123	-
- Term deposit receipts		1,767,774	2,682,193
		1,774,897	7,484,248
		94,115,114	135,486,672
Others			
- Bank deposits		14,138,326	6,778,086
- Margin trading system		9,999,794	11,189,024
- Others		6,181	61,776
		<u>118,259,415</u>	<u>153,515,558</u>

18. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

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

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

Subsequent to the year end, the Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. The management is however of the view that since the Federal government still has the right to appeal against the order, the previous balance of FED cannot be reversed.

The Management Company, in view of the pending decision and as a matter of abundant caution has made a provision for FED in the books of accounts of the Fund with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.9.801 million (2015: Rs.7.633 million).

19. AUDITORS' REMUNERATION	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
Audit fee		306,130	306,130
Review and other certifications		173,030	173,030
		479,160	479,160
Sales tax		28,750	23,958
Out of pocket expenses		56,756	54,904
		564,666	558,022

20. TAXATION

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

21. CASH AND CASH EQUIVALENTS	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
Bank balances		212,430,636	331,313,079
Market treasury bills maturing within 3 months		994,581	99,318,993
		213,425,217	430,632,072

22. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

22.1 Unit Holders' Fund

		June 30, 2016									
		As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	As at June 30, 2016	As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2016
		(Units)				(Rupees)					
Associated companies / undertakings											
CDC - Trustee Alfalah GHP Prosperity Planning Fund*											
		-	2,300,087	-	1,595,594	704,493	-	254,275,862	-	181,457,430	78,000,000
Alfalah GHP Investment Management Limited*											
		664,968	369,069	42,744	24,425	1,052,356	70,051,918	40,522,047	4,736,172	1,198,643	116,514,541
Key Management Personal Employees											
Head of Marketing											
		-	17,982	600	4,929	13,653	-	2,038,826	66,481	549,766	1,511,630
Chief Operating Officer											
		-	444	20	10	454	-	50,653	2,208	769	50,266
Chief Executive Officer											
		-	13,404	-	13,404	-	-	1,519,577	-	1,519,577	-
Unit holder holding 10% or more units											
The Nishat Mills Limited - Employees Provident Fund Trust											
		1,384,610	412,228	-	1,796,838	-	145,863,540	45,080,775	-	191,789,862	-
Babar Ali Foundation											
		1,709,694	-	52,849	461,418	1,301,125	180,109,937	-	5,855,773	47,836,539	144,057,698
Pak China Investment Company Limited											
		949,562	903,197	-	949,562	903,197	100,032,855	101,305,113	-	108,237,771	100,000,000
		June 30, 2015									
		As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at June 30, 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2015
		(Units)				(Rupees)					
Associated companies / undertakings											
Alfalah GHP Investment Management Limited*											
		706,385	664,968	-	706,385	664,968	70,935,182	70,000,000	-	78,123,768	70,051,918
Key Management Personal Employees											
Head of Marketing											
		-	689	-	689	-	-	70,000	-	70,681	-
Unit holder holding 10% or more units											
The Nishat Mills Limited - Employees Provident Fund Trust											
		-	1,384,610	-	-	1,384,610	-	-	-	-	145,863,540
Babar Ali Foundation											
		1,814,629	265,352	-	370,287	1,709,694	182,226,538	24,570,509	-	39,023,381	180,109,937

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

22.2 Other transactions

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	-----
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	19,145,430	18,423,110
Sales tax on management fee	3,109,281	3,205,638
Federal excise duty on management fee	3,063,270	2,947,698
Expenses allocated by the Management Company	907,887	-
Alfalah GHP Money Market Fund - (Common Management)		
Treasury bills - purchased	39,890,790	223,102,000
Treasury bills - sold	-	64,471,225
Alfalah GHP Income Multiplier Fund - (Common Management)		
Treasury bills - purchased	19,824,000	-
Treasury bills - sold	59,695,320	121,362,275
Pakistan Investment Bonds - sold	-	77,978,250
Term Finance Certificate - sold	-	19,830,000
Alfalah GHP Sovereign Fund - (Common Management)		
Treasury bills - purchased	99,781,800	-
Treasury bills - sold	192,106,375	-
Pakistan Investment Bonds - Purchased	28,645,425	-
Pakistan Investment Bonds - sold	-	55,374,350
Alfalah GHP Cash Fund - (Common Management)		
Treasury bills - purchased	4,994,025	365,117,480
Treasury bills - sold	99,148,480	198,072,100
Bank Alfalah Limited		
Profit on bank deposits	3,642,496	3,737,401
Bank charges	32,351	36,732
Pakistan Investment Bonds - purchased	166,179,000	-
Pakistan Investment Bonds - Sold	52,255,900	-
Treasury bills - purchased	1,076,784,200	707,701,570
Treasury bills - sold	298,352,400	149,191,625
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,143,542	2,100,945
Sales tax on Trustee fee	314,444	-
CDS charges	165,828	73,590

22.3 Other balances
Associated companies / undertakings
**Alfalsh GHP Investment Management Limited -
Management Company**

Remuneration payable to the Management Company	1,502,308	1,186,412
Sales tax payable on management fee	1,562,614	206,436
Federal excise duty on management fee	9,778,882	7,632,600
Sales load payable	48,584	-
Expenses allocated by the Management Company	789,265	-

June 30,	June 30,
2016	2015
----- (Rupees) -----	-----

Bank Alfalsh Limited

Bank balance	202,161,141	123,656,982
Profit receivable	418,878	389,687

June 30,	June 30,
2016	2015
----- (Rupees) -----	-----

Other related parties
Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee	178,030	147,653
Sales tax on Trustee fee	39,632	-
Security deposit	100,000	100,000

23. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up based on limits established by the Management Company, the Fund's constitutive documents and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that Fund is willing to accept. The Board of Directors of the Management Company supervise the overall risk management approach within the Fund. The Fund has exposure to following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by Board of Directors and Audit Committee regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in a portfolio of money market investments such as investment-grade debt securities, secured privately placed instruments, spread transactions and investments in other money market instruments (including the clean placements). Such investments are subject to varying degrees of risk.

The management of the risks as stated above is carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. The Investment Committee is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the NBFC Regulations, offering document of the Fund in addition to Fund's internal risk management policies.

23.1 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 Fund is exposed to credit risk on bank balances, investments and other receivable. There is a possibility of default by participants and of failure of the financial markets, the depositories, the settlements or clearing system etc.

Management of credit risk

The Fund's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. The IC closely monitors the creditworthiness of the Fund's counterparties (e.g., issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Fund only invests in the high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions in debt securities are settled / paid upon delivery. The risk of default in such transactions is considered minimal, as delivery of securities is guaranteed by reputable brokers or the transactions are carried out with counter parties of high reputation. Further, bank accounts are held only with reputable banks.

Exposure to credit risk

The table below analyse the Fund's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	Carrying amount	
	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
Bank balances	212,430,636	331,313,079
Investments classified as - 'At fair value through profit or loss' - held-for-trading	371,703,458	232,662,840
Mark-up / return receivable on:		
Bank balances	1,586,660	738,520
Term finance certificates	5,807,517	5,892,076
Margin trading system (MTS)	383,851	272,581
	<u>591,912,122</u>	<u>570,879,096</u>

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

Credit quality of bank balances

Details of credit rating of banks holding balances / deposits (including mark-up / return receivable thereon) are as follows:

Name of Bank	Rating	----- (%) -----	
Allied Bank Limited	A1+/AA+	4.71	62.64
Bank Alfalah Limited	A1+/AA	95.17	37.31
Bank Al Habib Limited	A1+/AA+	0.01	0.01
MCB Bank Limited	A1+/AAA	0.01	0.01
Habib Bank Limited	A1+/AAA	0.01	0.02
Habib Metropolitan Bank Limited	A1+/AA+	0.09	0.01
		<u>100.00</u>	<u>100.00</u>

Credit quality of held-for-trading investments

Credit risk arising on debt securities along with profit receivable is mitigated by investing primarily in investment-grade rated instruments published by MUFAP (and as determined by Pakistan Credit Rating Agency or JCR-VIS). The Fund is required to follow the guidelines / restrictions imposed in its offering document and SECP in respect of minimum ratings prior to any investment, etc.

The tables below analyse the Fund's investment in term finance certificates / sukuk certificates (including mark-up / return receivable thereon) on the basis of long-term rating given to the instruments by the credit rating agencies:

Rating	June 30, 2016		June 30, 2015	
	Amount of credit exposure	% of held-for-trading investments	Amount of credit exposure	% of held-for-trading investments
	----- (Rupees) -----		----- (Rupees) -----	
AA / AA-	316,776,259	85%	152,594,428	66%
A+ / AA+	54,927,199	15%	80,068,412	34%
	<u>371,703,458</u>	<u>100%</u>	<u>232,662,840</u>	<u>100%</u>

Past due and impaired

None of the financial assets are considered to be past due or impaired as at June 30, 2016 (2015: Rs.Nil).

Credit quality of held-for-trading investments

Investment in government securities i.e. Treasury bills and Pakistan investment bonds is not exposed to credit risk.

Credit quality of interest receivable on bank deposits and other receivables

Interest income receivable on bank deposits was received subsequent to the year end.

Concentration of the credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk.

23.2 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holders' option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

Management of liquidity risk

The Fund's policy is to manage this risk by investing in deposit accounts, short term money market placements or in investments that are traded in an active market and can be readily disposed. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount approximate to their fair value to meet its liquidity requirements.

The Fund has the ability to borrow, with prior approval of Trustee, for meeting redemption. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings.

Maturity analysis for financial liabilities

The table below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period from the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

	June 30, 2016			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
----- (Rupees) -----				
Financial liabilities				
Payable to the Management Company	2,340,157	2,340,157	-	-
Payable to the Trustee	178,030	178,030	-	-
Accrued and other liabilities	1,241,091	247,294	993,797	-
	<u>3,759,278</u>	<u>2,765,481</u>	<u>993,797</u>	<u>-</u>

	June 30, 2015			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
----- (Rupees) -----				
Financial liabilities				
Payable to the Management Company	1,186,412	1,186,412	-	-
Payable to the Trustee	147,653	147,653	-	-
Accrued and other liabilities	740,982	40,435	700,547	-
Payable to unit holders	222,715,835	222,715,835	-	-
	<u>224,790,882</u>	<u>224,090,335</u>	<u>700,547</u>	<u>-</u>

Above financial liabilities do not carry any mark-up.

23.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Management of market risk

The risk is managed by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors and regulations laid down by SECP.

Currency risk

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

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial instruments and future cash flows. The interest rate environment is monitored on a regular basis and the portfolio mix of fixed and floating rate securities is altered. The Fund's investment in fixed interest rate securities expose it to fair value interest rate risk and investments in variable interest rate securities expose the Fund to cash flow interest rate risk.

At year end, details of the interest rate profile of the Fund's interest bearing financial instruments are as follows:

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
Fixed rate instruments		
Market Treasury Bills	994,581	395,702,652
Pakistan Investment Bonds	-	344,497,400
	<u>994,581</u>	<u>740,200,052</u>
Variable rate instruments		
Bank balances	212,430,636	331,313,079
Sukuk certificates	208,349,163	50,517,187
Term finance certificates	163,354,295	182,158,482
	<u>584,134,094</u>	<u>563,988,748</u>

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by MUFAP is expected to change over time. Accordingly, the actual trading results may differ from the below sensitivity analysis and the difference could be material.

Fair value sensitivity analysis for fixed rate instruments

In case of 100 basis points increase / decrease in interest rate (determined by market forces) at year end, the net assets attributable to unit holders of the Fund and net income for the year would be lower / higher by Rs.0.009 million (2015: Rs.7.567 million). This analysis assumes that all other variables remain constant.

Cash flow sensitivity analysis for variable rate instruments

In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.2.248 million (2015: Rs.5.579 million).

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

June 30, 2016						
On-balance sheet financial instruments	Yield / Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
Financial Assets						
Balances with banks	5.50 - 6.70	212,430,636	-	-	-	212,430,636
Investments classified:						
At fair value through profit or loss'						
- held-for-trading						
- Market treasury bills	6.2	994,581	-	-	-	994,581
- Pakistan investment bonds		-	-	-	-	-
- Sukuk certificates	3 months KIBOR +1.5% to 6 months KIBOR + 1.75%	-	83,000,000	125,349,163	-	208,349,163
" - Term finance certificates"	3 months KIBOR +2.65% to 6 months KIBOR + 2.50%	-	-	163,354,295	-	163,354,295
		994,581	83,000,000	288,703,458	-	585,128,675
Security deposits		-	-	-	2,850,000	2,850,000
Deposits and other receivables		-	-	-	9,597,352	9,597,352
Receivable against Margin		-	-	-	72,926,401	72,926,401
Trading System (MTS)		-	-	-	72,926,401	72,926,401
		994,581	83,000,000	288,703,458	85,373,753	670,502,428
Financial Liabilities						
Payable to the Management Company		-	-	-	2,340,157	2,340,157
Payable to the Trustee		-	-	-	178,030	178,030
Payable to unit holders		-	-	-	-	-
Accrued and other liabilities		-	-	-	1,241,091	1,241,091
		-	-	-	3,759,278	3,759,278
On-balance sheet gap		994,581	83,000,000	288,703,458	81,614,475	666,743,150

June 30, 2015

On-balance sheet financial instruments	Yield / Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial Assets						
Balances with banks	6.00 - 7.00	331,313,079	-	-	-	331,313,079
Investments classified:						
At fair value through profit or loss'						
- held-for-trading						
- Market treasury bills	6.92	99,318,993	296,383,659	-	-	395,702,652
- Pakistan investment bonds						
- Sukuk certificates	3 months KIBOR +1.5% to 6 months KIBOR + 1.75%	-	-	50,517,187	-	50,517,187
" - Term finance certificates"	3 months KIBOR +1.5% to 6 months KIBOR + 1.75%	-	-	182,145,653	-	182,145,653
		430,632,072	296,383,659	232,662,840	-	959,678,571
Security deposits		-	-	-	2,850,000	2,850,000
Deposits and other receivables		-	-	-	25,158,589	25,158,589
Receivable against Margin		-	-	-	25,069,146	25,069,146
Trading System (MTS)		-	-	-	53,077,735	53,077,735
		430,632,072	296,383,659	232,662,840	53,077,735	1,012,756,306
Financial Liabilities						
Payable to the Management Company		-	-	-	1,186,412	1,186,412
Payable to the Trustee		-	-	-	147,653	147,653
Accrued and other liabilities		-	-	-	740,982	740,982
Payable to unit holders		-	-	-	222,715,835	222,715,835
		-	-	-	224,790,882	224,790,882
On-balance sheet gap		<u>430,632,072</u>	<u>296,383,659</u>	<u>232,662,840</u>	<u>(171,713,147)</u>	<u>787,965,424</u>

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The fund is exposed to other price risk because of Term Finance Certificates (TFCs) held by it and classified as 'at fair value through profit and loss' - held-for-trading.

In case of a 5% increase / decrease in rates determined by MUFAP as on June 30, 2016, the net assets of the Fund would increase / decrease by Rs.18.585 million (2015: Rs.11.633 million), as a result of reduction / increase in unrealized gains / (losses).

23.4 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an 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 cause 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 Fund's 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 unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors 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 / IC members and the Chief Executive of the Management 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 net asset value 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.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

23.5 Fair value hierarchy

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has no effect on the financial statements.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

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 analyse 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:

	As at June 30, 2016			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as at fair value through profit or loss' - held-for-trading				
Market treasury bills	-	994,581	-	994,581
Sukuk certificates	-	125,349,163	-	125,349,163
Term finance certificates	<u>34,074,329</u>	<u>129,279,966</u>	-	<u>163,354,295</u>
	<u>34,074,329</u>	<u>255,623,710</u>	-	<u>289,698,039</u>
	June 30,2015			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as at fair value through profit or loss' - held-for-trading				
Market treasury bills	-	395,702,652	-	395,702,652
Pakistan Investment Bonds	-	344,497,400	-	344,497,400
Sukuk certificates	-	50,517,187	-	50,517,187
Term finance certificates	<u>64,248,395</u>	<u>117,897,258</u>	-	<u>182,145,653</u>
	<u>64,248,395</u>	<u>908,614,497</u>	-	<u>972,862,892</u>

During the year ended June 30, 2016, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

24. 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 the NBFC Regulations has been disclosed in Annexure I to the financial statements.

25. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on September 22, 2016.

26. GENERAL**26.1 Figures are rounded off to the nearest rupee.**

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

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

Chief Executive Officer

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at June 30, 2016			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	54	947,338	104,887,169	16%
Associated Co./ Directors	4	1,756,849	194,514,500	30%
Banks/Dfis	3	914,970	101,303,495	16%
Insurance Co.	-	-	-	-
Retirement & Other Funds	7	220,199	24,379,920	4%
Others	5	1,930,632	213,755,306	33%
	73	5,769,988	638,840,391	100%

Category	As at 30 June 2015			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	57	1,869,729	196,969,076	18%
Associated Co./ Directors	1	664,968	70,051,934	6%
Insurance Co.	0	-	-	0%
Banks/ DFIs	2	961,335	101,273,097	9%
Retirement & Other Funds	15	3,775,727	397,758,953	36%
Others	7	3,278,139	345,342,046	31%
	82	10,549,898	1,111,395,106	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2016 %
INVEST CAPITAL & SECURITIES PVT LIMITED	27
JS GLOBAL CAPITAL LIMITED	19
SUMMIT CAPITAL PVT LIMITED	12
INVEST ONE MARKETS LIMITED	9
ELIXIER SECURITIES PAKISTAN LIMITED	7
INVEST & FINANCE SECURITIES LIMITED	6
BMA CAPITAL MANAGEMENT LIMITED	6
ICON SECURITIES PVT LIMITED	6
VECTOR CAPITAL PVT LIMITED	3
KASB SECURITIES LIMITED	3

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

 30 June
2015

	%
BMA CAPITAL MANAGEMENT LIMITED	34
INVEST CAPITAL MARKETS LIMITED	25
SUMMIT CAPITAL PVT LIMITED	15
JS GLOBAL CAPITAL LIMITED	11
INVEST ONE MARKETS LIMITED	7
INVEST & FINANCE SECURITIES LIMITED	4
VECTOR CAPITAL PVT LIMITED	3
ICON SECURITIES PVT LIMITED	2
MAGNETA CAPITAL PVT LIMITED	1
NEXT CAPITAL LIMITED	1

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Imran Altaf
Kashif Kasim

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses."

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal

Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds' team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Imran Altaf

Mr. Altaf has over six years of experience in Investment Valuation, Financial Research and Portfolio Management. Before joining Alfalah GHP Investment Management as a portfolio manager, he was associated with Faysal Asset Management as a fixed income portfolio manager over 2012 to 2014. He was previously affiliated with Faysal Bank Limited and its Equity Capital Market (ECM) division from 2010 to 2012 in the capacity of an investment analyst. Mr. Altaf is a CFA Charter holder and has an MBA Degree from SZABIST University.

Kashif Kasim

"Mr. Kasim is part of the Alfalah GHP's Investment team since 2013 and has continuously added value to the Investment Management function since then. As an acknowledgement of his efforts and quick learning skills he was promoted to the role of Junior Portfolio Manager. Mr. Kasim is pursuing his MBA from Pakistan Air Force Karachi Institute of Economics & Technology (PAF KIET) and is also a Level II candidate of Chartered Financial Analyst (CFA) exam."

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 68th, 69th, 70th, 71st and 72nd Board Meetings were held on 24 Aug 2015, 29 Oct 2015, 25 Feb 2016, 27 Apr 2016 and 30 June 2016 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Amin Dawood Saleh	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Mr. Michael Buchen	5	5	-	-
Mr. Tufail Jawed Ahmad	2	2	-	-
Syed Tariq Husain	1	-	1	1

**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**

PERFORMANCE TABLE - AGIF

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
	----- (Rupees) -----				
Net Assets (Rs. '000)	638,840	1,111,393	1,955,694	1,777,128	893,440
NAV per unit	110.7178	105.3463	100.4208	103.5680	101.6600
Selling price per unit	112.1819	106.7516	101.7721	104.6037	102.6766
Redemption price per unit	110.7178	105.3463	100.4208	103.5680	101.6600
Highest selling price per unit	114.9197	114.8402	103.9640	104.5407	104.7837
Highest redemption price per unit	113.4198	113.3284	102.9347	103.5056	103.7462
Lowest selling price per unit	106.7380	101.8170	101.2098	101.5128	101.5313
Lowest redemption price per unit	105.3449	100.4651	100.2077	100.5077	100.5260
Total interim distribution per unit	2.6173	7.3777	7.7994	6.6691	9.7294
Interim distribution date	29-Jun-16	23-Jun-15	28-Sep-13	26-Sep-12	29-Sep-11
	N/A	N/A	28-Dec-13	31-Dec-12	29-Dec-11
	N/A	N/A	5-Apr-14	27-Mar-13	29-Mar-12
	N/A	N/A	30-Jun-14	Nil	28-Jun-12
Final distribution per unit	Nil	Nil	Nil	3.1370	1.0868
Final distribution date	N/A	N/A	N/A	4-Jul-13	27-Jul-12
Annualized returns %	7.56%	12.26%	8.04%	9.95%	11.16%
Income distribution %	2.48%	7.35%	7.53%	10.63%	10.76%
Weighted avg. portfolio duration (Days)	720 Days	837 Days	511 Days	445 Days	302 Days

Return since inception is **9.72%**

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

بورڈ آف ڈائریکٹرز:

ڈائریکٹر کے نام	عہدہ	منعقدہ میٹنگ	میٹنگ میں شرکت	غیر حاضری
جناب سید علی سلطان	چیئر مین	5	5	-
جناب امین داؤد صالح	ڈائریکٹر	5	5	-
جناب مانگلی بچن	ڈائریکٹر	5	5	-
جناب نسیں پیٹر بائیر	ڈائریکٹر	5	5	72، 70th، 68th بورڈ آف ڈائریکٹر
محترمہ مایین رحمان	چیف ایگزیکٹو آفیسر	5	5	-
جناب عابد نقوی	ڈائریکٹر	5	5	-
جناب آصف سعید	ڈائریکٹر	-	-	-
جناب سید طارق حسین	ڈائریکٹر	1	-	70th بورڈ آف ڈائریکٹر
جناب طفیل جاوید احمد	ڈائریکٹر	2	2	-

سال کے دوران بورڈ کے ممبران کی تبدیلی:

نام	عہدہ	تقرری	استعفی
جناب آصف سعید	ڈائریکٹر		استعفی
سید طارق حسین	ڈائریکٹر	تقرری	استعفی
جناب طفیل جاوید احمد	ڈائریکٹر	تقرری	

بورڈ اپنے سیکشن ہونے والے ڈائریکٹر جنرلات کا کھیتی میں خدمات پیش کرنے پر شکر گزار ہے۔

آڈٹ کمیٹی کی میننگ:

اس سال کے دوران آڈٹ کی میننگ کی تفصیلات اور آڈٹ کمیٹی کے ممبران کی شرکت کی تفصیلات درج ذیل ہیں:

ممبر	میٹنگ منعقدہ	میٹنگ میں حاضری
جناب عابد نقوی	4	4
جناب سید علی سلطان	4	4
جناب امین داؤد صالح	4	2

اظہار تشکر:

ڈائریکٹر سید ریڈا اینڈ ایگزیکٹو کمیٹی آف پاکستان کے تعاون پر ان کا شکریہ ادا کرتے ہیں اس کے علاوہ بورڈ نے انتظامی کمیٹی کے ملازمین اور ڈسٹریبیوٹرز کا بھی شکریہ ادا کیا ہے جنہوں نے انتظامیہ پر مکمل اعتماد کرتے ہوئے محنت اور لگن سے کام کیا۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

مورخہ: 22 ستمبر 2016ء



(لمین روپے)		مالی تفصیلات	
برائے سال ۳۰ جون ۲۰۱۵ء	برائے سال ۳۰ جون ۲۰۱۶ء	تفصیل	
1,111.395	1,531.055	اوسط صافی اثاثہ	
201,525	10.823	مجموعی آمدنی	
93.521	33.151	کل آمدنی	
105.3463	110.7178	فی یونٹ صافی اثاثہ کی ویلیو (پاکستانی روپے)	
1,544.178	1,950.139	سال کے دوران پینس کا اجراء	
2,515.598	2,519.649	سال کے دوران پینس کی کمی	

ادائیگی:

زیر نظر سال کے آخر میں فنڈ کی نقد ادائیگی کا ڈیویڈنڈ 2.6173 پاکستانی روپے فی یونٹ رہا۔

کارپوریٹ گورننس:

- انتظامی کمپنی اعلیٰ معیار کے کارپوریٹ گورننس پر یقین رکھتی ہے لہذا اس کے مطابق بورڈ آف ڈائریکٹرز کی جانب سے درج ذیل کی یقین دہانی کی جاتی ہے:
- (اے) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے آپریشنز کے نتائج، یکیش ٹول اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- (بی) کمپنی کے کھاتے مناسب طریقہ سے رکھے جا رہے ہیں۔
- (سی) مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
- (ڈی) مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔
- (ای) اضطرر کنٹرول کے نظام مضبوط ہیں اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- (ایف) آنے والے سالوں میں انفلاح جی ایچ پی انوسٹمنٹ لمیٹڈ کی انتظامیہ کے تحت فنڈ کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- (جی) مالیاتی گوشواروں میں تمام واجب الادا ٹیکسز، ڈیویڈنڈ اور دیگر چارجز کی مکمل تفصیلات فراہم کر دی گئی ہیں۔
- (ایچ) کمپنی میں کارپوریٹ گورننس کو مکمل طور پر نافذ کیا ہے جو کہ لسٹنگ ریگولیشن میں درج ہے اور اس سے کوئی انحراف نہیں کیا گیا ہے۔
- (آئی) اہم مالیاتی تفصیلات اس ڈائریکٹر رپورٹ میں فراہم کر دی گئی ہیں۔
- (جے) بورڈ آف ڈائریکٹرز کی مینٹنگ کی تفصیلات اور ان مینٹنگز میں ہر ڈائریکٹر کی شرکت ضمنی غیر مالیاتی معلومات کی سالانہ رپورٹ کے نوٹ نمبر (iv) میں دی گئی ہیں۔
- (کے) اس سالانہ رپورٹ کی ضمنی غیر مالیاتی معلومات یونٹ ہولڈرز کی تفصیل نوٹ نمبر (i) میں دی گئی ہیں۔
- (ایم) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کے شریک حیات کی جانب سے فنڈ کے پینس کی تعداد ۳۰ جون ۲۰۱۶ء نوٹ نمبر 21.1 میں فراہم کر دی گئی ہے۔
- (این) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کے شریک حیات کی جانب سے مطلوبہ پینس/تعداد ۳۰ جون ۲۰۱۶ء نوٹ نمبر 21.1 میں فراہم کر دی گئی ہے۔

فونڈ کی کارکردگی اور تجزیہ:

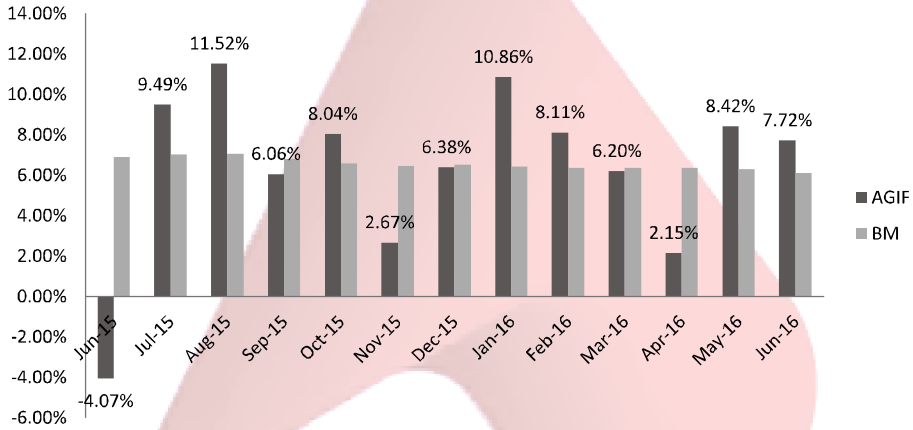
الفلاح جی ایچ پی انکم فونڈ: فونڈ آپریشن اور اس کی کارکردگی:

زیر نظر مدت کے دوران اسے جی آئی ایف میں مکمل طور پر اتار چڑھاؤ کو محدود کرنے کیلئے کوشش کی گئی جس کے نتیجے میں کریڈیٹ رینک میں اضافہ ہوا اس مقصد کیلئے متوسط، طویل مدتی سرکاری سٹیٹو ریٹیز پر توجہ مرکوز کی گئی تاکہ کریڈٹ کی زیادہ رینک حاصل ہو سکے۔

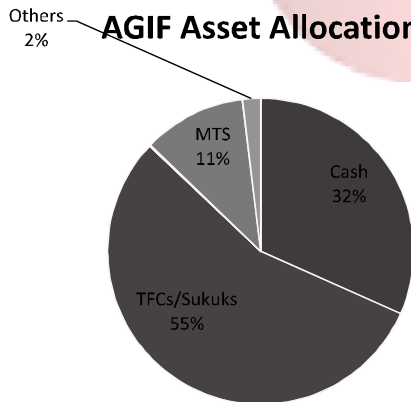
مالیاتی سال 2016ء میں آمدنی کا تناسب 6.53% رہی (6M Kibor) اس سال کے دوران فونڈ کی کارکردگی میں مسلسل بہتری رہی اور ٹی ایف سی کی ایک مستحکم پورٹ فولیو جو کہ طویل مدتی پی آئی بی کے ساتھ توجہ کا مرکز رہی اور کیمپیٹل منافع میں اضافہ ہوا۔

فونڈ کے سلسلے میں PACRA نے "(f)A+" کی رینک توثیق کی ہے۔

AGHP Income Fund Vs Benchmark



AGIF Asset Allocation



ڈائریکٹرز رپورٹ:

ہمارے محرز پونٹ ہولڈرز،

الفلاح جی ایچ پی انوسٹمنٹ فیڈمٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز مالیاتی سال ۲۰۱۶ء کیلئے فنڈز کی سالانہ رپورٹ پیش کر رہے ہیں۔

اقتصادی جائزہ برائے مالیاتی سال ۲۰۱۶ء:

مالیاتی سال ۲۰۱۶ء میں پاکستان کی معیشت میں 4.70% کا اضافہ ہوا جو گذشتہ آٹھ سالوں میں سب سے زیادہ شرح رہی۔ یہ اضافہ بنیادی طور پر صنعتی اور خدماتی شعبوں کی بدولت رہا، جس سے زرعی شعبے کی ناقص کارکردگی پس پردہ رہی تو انائی کی وافر فراہمی اور پاک چائنا اقتصادی راہداری منصوبوں کو مستقبل میں بھی جاری رکھنے کی امید کی جاتی ہے۔

مالیاتی سال ۲۰۱۶ء میں افراط زر کا تناسب 2.85% رہا جس کا موازنہ مالیاتی سال ۲۰۱۵ء کے تناسب 4.56% سے کیا جاسکتا ہے، تیل کی کم قیمتوں کی بدولت معیشت میں ترقی ہوئی اور ایشیا کی قیمتوں میں اسی بنیاد پر سال کے آخر میں افراط زر کی شرح میں اضافے کے نتیجے میں شروع ہونے والے اگلے مالیاتی سال میں اضافہ کا امکان ہے۔ مالیاتی سال ۲۰۱۶ء کیلئے اسٹیٹ بینک کے تخمینوں کے مطابق اس کا تناسب 4.50% سے 4.80% ہے جو کہ ان منصوبوں سے قریب ترین تناسب ہے اور شرح سود 5.75% بنتی ہے اور نہیں امکان ہے کہ اس مدت کے ساتھ سود کی شرح میں اگلی مدت تک مزید اضافہ ہوگا۔

اس سال کے دوسرے حصہ میں مکمل طور پر معیشت کی خارجی حالت اسی تناسب کے تحت ہے جس کا تناسب 0.02%-0.02% امریکی ڈالر کے مقابلے میں ہے اس طرح کم برآمدات اور ترسیلات زر کی سست رفتاری اور بین الاقوامی طور پر خام تیل کی قیمتوں میں کمی کی وجہ سے اس میں کافی حد تک فائدہ ہوا ہے۔ خارجی حالت کے تحت (1) سرکاری منتقلی کے حوالے سے خصوصی طور پر ستمبر ۲۰۱۵ء میں آئی ایم ایف کے پروگرام کے اختتام کے بعد مقرر ہوئی۔ (2) ممکنہ شرح ترسیلات زر جس میں ممکنہ طور پر سست روی رہی۔ (3) تیل کی قیمتوں میں اضافہ۔ (4) ممکنہ طور پر برآمدات کی آمدنی میں کمی واقع ہوئی۔

اسٹاک مارکیٹ:

کے ایس ای 100 انڈیکس جس میں دوران سال 3,300 پوائنٹس کا اضافہ ہوا اور مالیاتی سال ۲۰۱۶ء کے دوران ریٹرن کا تناسب 9.8% رہا۔ سال کے پہلے سات مہینوں میں مارکیٹ مندی رہی جبکہ فروری کے آخر سے اضافہ دیکھا گیا۔ بین الاقوامی طور پر خام تیل کی قیمتوں میں ہچکچاہٹ ۱۲ سالوں کے مقابلے میں سال ۲۰۱۶ء میں کافی کمی رہی اور عالمی مارکیٹ کے حصص میں غیر ملکی سرمایہ کاروں کی طرف سے فروخت کیلئے دباؤ بڑھا اور مقامی بروکرز کی تحقیقات کے نتیجے میں پہلے سات سے آٹھ ماہ کے دوران منفی اثرات پائے گئے۔ کم شرح سود کے ماحول میں بینکاری پر سرمایہ کار کا اعتماد کم رہا اور مارکیٹ میں بالخصوص فروری کے مہینے سے ایک بار پھر اضافہ ہوا۔ MSCI پاکستان کی شمولیت سے اسٹاک مارکیٹ میں مزید تیزی کا رجحان رہا۔ برطانوی عوام کی جانب سے یورپی یونین سے اخراج کی بدولت انڈیکس میں قبیل مدتی کمی ہوئی جسے جون ۲۰۱۶ء میں بحال کیا گیا۔

سال کی آخری سہ ماہی میں اضافہ پاکستان کی MSCI میں از سر نو درجہ بندی کے مہم جوں مثبت رہا اور انڈیکس کے اہم حصص کی MSCI میں شمولیت کی توقع رہی۔

منہی مارکیٹ:

افراط زر اور اس کے نتیجے میں پیدا ہونے والے پالیسی ریٹ مالیاتی سال ۲۰۱۶ء کے دوران دو مرتبہ کمی و بیشی سے متاثر ہوئے، پہلے ستمبر ۲۰۱۵ء میں 50bps اور اس کے بعد مئی ۲۰۱۶ء میں 25bps جو کہ سال کے دوران آمدنی میں 100-250bps کمی کا باعث بنا اور ڈسکاؤنٹ ریٹ میں سب سے زیادہ کمی ۴ سے ۱۰ سالہ بونڈز میں دیکھی گئی جس کی وجہ سے شرح سود میں طویل مدتی کمی کی توقع ہے۔

مستقبل کا نظریہ:

سال ۲۰۱۶ء میں مارکیٹ کی کارکردگی میں بہتری کی توقع ہے جو کہ (1) پاکستان کی MSCI ایمرجنگ مارکیٹ انڈیکس میں دوبارہ درجہ بندی (2) وفاقی بجٹ مالیاتی سال ۲۰۱۸ء کیلئے توقع کی جاتی ہے بالخصوص زرعی اور تجارتی شعبوں میں حکومت اپنی مدت کے آخری سال اس پر ضرور توجہ دے گی۔

قبیل مدت میں افراط زر میں کمی کے پیش نظر اور 2016ء کے آخر میں CPI میں کچھ اضافہ کے باعث یہ توقع کی جارہی ہے کہ مائیکرو پالیسی میں درمیان مدت میں استحکام رہے گا۔ وہ عوامل جو جلد یا بدیر اضافہ کی وجہ بن سکتے ہیں وہ درج ذیل ہیں:

- ۱۔ خام تیل میں قیمتوں میں اضافہ بوجہ طلب و رسد کے فرق میں کمی۔
- ۲۔ توانائی کے علاوہ دیگر شعبوں میں خلاف توقع قیمتوں میں زیادہ اضافہ
- ۳۔ کرنٹ اکاؤنٹ خسارہ میں اضافہ سے روپے کی قدر پر بڑھتا ہوا دباؤ۔








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-  Online Quizzes

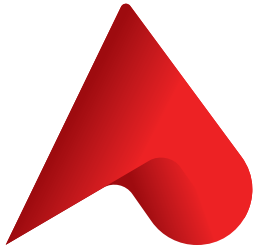


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