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# **ALFALAH**

## **Investments**

**HALF YEARLY REPORT**



**DECEMBER 31,**  
**2018**

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**MISSION STATEMENT**

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

**VISION STATEMENT**

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

## DIRECTORS' REPORT TO THE UNIT HOLDERS FOR THE HALF YEAR ENDED DECEMBER 31, 2018

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), Alfalah GHP Cash Fund (AGCF), Alfalah GHP Islamic Stock Fund (AGISTF), Alfalah GHP Alpha Fund (AGAF), Alfalah GHP Value Fund (AGVF), Alfalah GHP Sovereign Fund (AGSOF), Alfalah GHP Income Fund (AGIF), Alfalah GHP Stock Fund (AGSTF), Alfalah GHP Money Market Fund (AGMMF), Alfalah GHP Islamic Income Fund (AGIIF), Alfalah GHP Prosperity Planning Fund (AGPPF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF), Alfalah GHP Dedicated Equity Fund (AGIDEF), Alfalah GHP Islamic Value Fund, Alfalah Capital Preservation Fund II (AGCPF II), for the half year ended December 31, 2018.

### Economic Overview

Economic conditions have continued to slow over the last quarter with a noticeable decline in Large Scale Manufacturing due to general weakening of demand. The slowing growth can be seen as a direct result of higher inflation and a weakening rupee (PKR138.9/USD as of end CY18 as compared to PKR 110.7/USD end CY17), both of which have pushed up interest rates by 425bps over the calendar year with the outgoing quarter alone witnessing an aggressive 200bps hike.

The effects of continued hawkish policy action by the SBP can also be seen in the external account as exports have stabilized and are trending higher while imports have slowed quite considerably. International oil prices have helped contribute to this trend along with a dip in consumer imports. This combined with increased remittances has resulted in an overall reduction in the current account deficit by 4.43% as compared to 1HFY18.

The new government commenced formal negotiations with the IMF in November 2018. To cover for interim pressure on FX reserves, friendly donor countries have been tapped, with some already committing and placing financial assistance with the SBP. This will help tide over any immediate balance of payments crisis, but long-term a viable structural reform program will be necessary to ensure the growth trajectory of the country.

Going forward, we expect Pakistan-IMF talks to end soon and finalize some form of a funding package for Pakistan over the course of 2019. The type of conditions imposed within that package will largely determine how deep economic growth will be curtailed. Nevertheless, tighter fiscal and monetary conditions will limit inflation and growth over CY19 but will also lend some much needed stabilization.

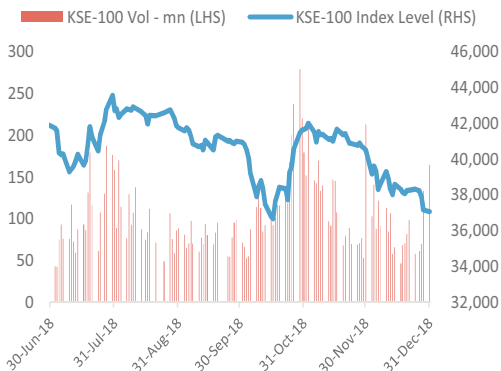
### Equity Market Review

Throughout CY18, the KSE100 Index has been a lead indicator for a slowing economy and tighter monetary policy and as such stayed firmly in bear market territory throughout the year. The benchmark Index declined by 8.41% in CY18 to close the year, posting the second consecutive year of negative performance. Sector-wise earnings fell significantly in cyclical while defensive stocks remained favorites due to their natural hedge against economic headwinds.

The Index saw numerous oscillations throughout the year but failed to sustain any clear direction due to lack of visibility on the IMF program and the prospect of slowing earnings over FY18 and FY19. Participation was also lower with the average daily turnover decreasing by 5.8% to 96.6mn shares in CY18.

The Federal budget FY19 was largely positive for the stock market. The new measures which improved the market sentiments included a gradual reduction in corporate tax to 25% by 2023, change of taxation on stock brokers' commission, the removal of 5% tax on bonus shares and an extension in tax incentives deadline for investments in plant and machinery. The new government also introduced a mini budget during mid-September 2018 which was targeted towards improvement in fiscal deficit.

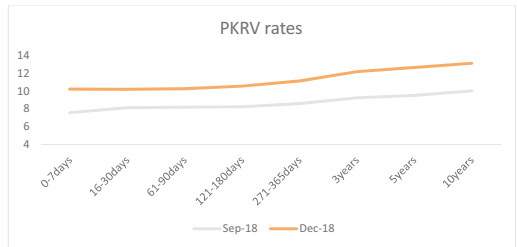
Going forward, a revival in the earnings cycle would help boost market performance particular in those sectors that benefit from a higher interest rate/weaker currency environment. Material progress on talks over financial support programs will add to better sentiment as well.



## Money Market Review:

Yields trended back upwards into double digits as the policy rate was raised by 425bps (from 6.25% to 10.25%). The increase in rates was required to support a weak external position and limit imported inflation due to a 24% devaluation in the PKR/USD parity.

During the year SBP raised PKR 19.6 trillion from Treasury bills compared to PKR 12.6 trillion in 2017, with participation heavily skewed towards



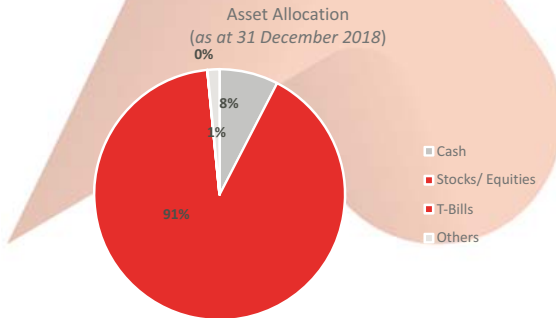
shorter tenor instruments. In order to entice investors towards longer tenures, the central bank for the first time issued floating rate bonds which received an overwhelming response and proved to be a useful higher yielding instrument with a long term interest rate hedge.

Going forward, the yield curve will mirror the policy action as decided by the SBP and monetary conditions are expected to stay tight well into 2019.

## Fund Operations and Performance

### Alfalsh GHP Alpha Fund

During 1HFY19, AGAF earned a return of -12.11% versus the benchmark (KSE-100) return of 11.56% during the same period. During CY18, the fund earned a return of -10.39% versus the benchmark return of -8.41%.



## Key Financial Data

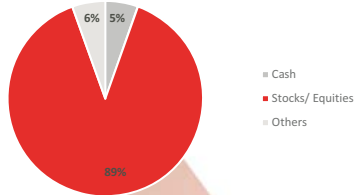
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	1,689.48	1,618.08
Gross Loss / income	-199.98	-278.34
Net comprehensive income	-228.13	-308.59
Net Assets Value per Unit (Rs.)	59.03	71.12
Issuance of units during the period	1,114.99	602.83
Redemption of units during the period	-1,245.42	-169.35

### Alfalah GHP Islamic Stock Fund

In 1HFY19, AGISTF earned a return of -10.48% while its benchmark earned a return of -13.91% during the same period. During CY18, the fund earned a return of -8.85% versus the benchmark return of -10.84%.

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

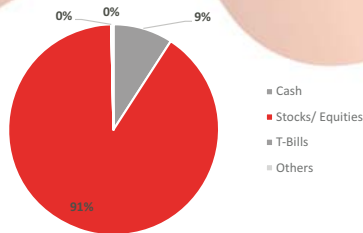
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	3,983.35	5,049.85
Gross loss	-353.25	-1,309.62
Net comprehensive loss	-417.60	-1,431.04
Net Assets Value per Unit (Rs.)	44.80	61.19
Issuance of units during the period	1,477.34	1,556.50
Redemption of units during the period	-1,307.81	-4,205.79

### Alfalah GHP Stock Fund

During 1HFY19, AGSF earned a return of -12.45% versus the benchmark (KSE-100) return -11.56% during the same period. During CY18, the fund earned a return of -10.56% versus the benchmark return of -11.56%.

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

Rs. In million

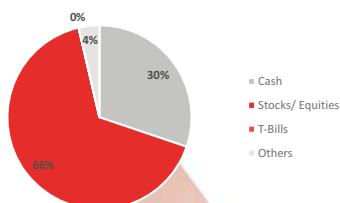
Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	2,487.21	2,320.76
Gross loss	-286.39	-474.16
Net Comprehensive Loss	-328.25	-523.23
Net Assets Value per Unit (Rs.)	104.16	131.13
Issuance of units during the period	769.24	981.65
Redemption of units during the period	-379.36	-858.40



## Alfalah GHP Value Fund

During 1HFY19, AGVF underperformed its benchmark with a return of -7.27% versus the benchmark return -5.44% during the same period. During CY18, the fund earned a return of -5.43% versus the benchmark return of -2.60%.

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

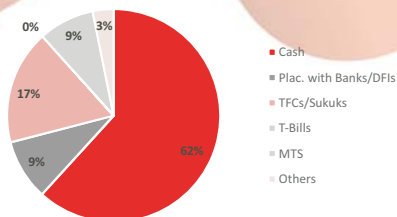
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	1,965.51	2,256.60
Gross loss	-103.80	-319.94
Net comprehensive loss	-136.79	-362.26
Net Assets Value per Unit (Rs.)	51.43	60.77
Issuance of units during the period	702.19	911.69
Redemption of units during the period	-812.60	-382.03

## Alfalah GHP Income Fund

During the period under review, AGIF earned a return of 3.74% while the fund's benchmark returned 9.75%. The fund's return for CY18 stood at 5.42% as against the benchmark of 7.74%.

Asset Allocation  
(as at 31 December 2018)



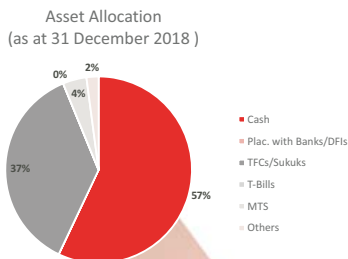
### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	391.50	545.08
Gross loss	14.38	29.64
Net Comprehensive Loss	10.34	19.99
Net Assets Value per Unit (Rs.)	115.1357	114.4389
Issuance of units during the period	482.84	992.00
Redemption of units during the period	-703.58	-1229.73

### Alfalah GHP Income Multiplier Fund

During the period, Alfalah GHP Income Multiplier Fund generated a return of 2.90% while the benchmark stood at 9.49% during the same period. The fund's return for CY18 stood at 4.03% as against the benchmark of 8.21%.



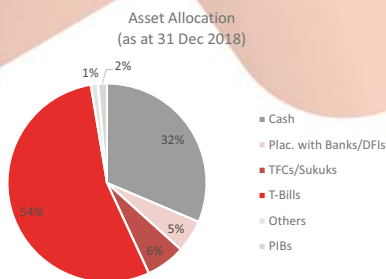
### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	489.39	1,558.78
Gross loss	13.45	67.01
Net comprehensive loss	7.58	46.71
Net Assets Value per Unit (Rs.)	54.0240	54.4815
Issuance of units during the period	873.41	1,297.57
Redemption of units during the period	-1,059.05	-1,525.23

### Alfalah GHP Sovereign Fund

During the period under review, Alfalah GHP Sovereign Fund generated a return of 6.15% while the fund's benchmark returned 8.74% during the same period. The fund's return for CY18 stood at 5.79% as against the benchmark of 7.57%.



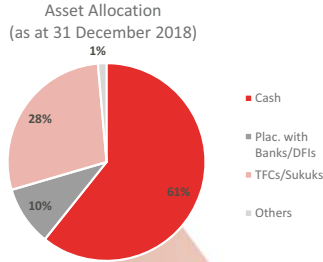
### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	911.26	1,331.89
Gross loss	37.08	38.95
Net Comprehensive Loss	27.66	28.09
Net Assets Value per Unit (Rs.)	109.0379	108.1708
Issuance of units during the period	1,522.02	650.44
Redemption of units during the period	-1,411.44	-567.99

### Alfalah GHP Islamic Income Fund

Alfalah GHP Islamic Income Fund generated a return of 5.80%, while the benchmark generated an average return of 2.85% during the period. The fund's return for CY18 stood at 5.12% against the benchmark of 2.64%.



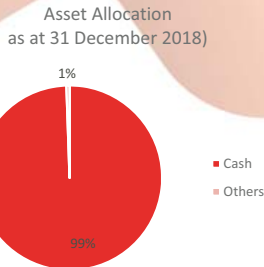
### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	4,613.59	7,230.37
Gross loss	175.27	177.15
Net comprehensive loss	134.53	129.97
Net Assets Value per Unit (Rs.)	104.1986	103.2993
Issuance of units during the period	3,055.80	6,179.14
Redemption of units during the period	-2,866.46	-1,853.89

### Alfalah GHP Cash Fund

During the period under review, Alfalah GHP Cash Fund (AGCF) generated a return of 6.28% while the benchmark of the fund generated 7.36% during the same period. The fund's return for CY18 stood at 5.81% as against the benchmark of 6.45%.



### Key Financial Data

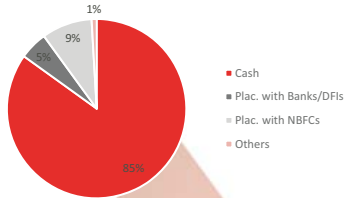
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	119.84	105.07
Gross loss	5.35	5.43
Net Comprehensive Loss	3.70	3.41
Net Assets Value per Unit (Rs.)	512.55	507.17
Issuance of units during the period	54.02	217.17
Redemption of units during the period	-93.97	-1,521.76

## Alfalsh GHP Money Market Fund

During the period under review, Alfalah GHP Money Market Fund (AGMF) generated a return of 7.64% while the benchmark of the fund generated 7.36% during the same period. The fund's return for CY18 stood at 6.72% as against the benchmark of 6.45%.

Asset Allocation  
(as at 31 December 2018)



## Key Financial Data

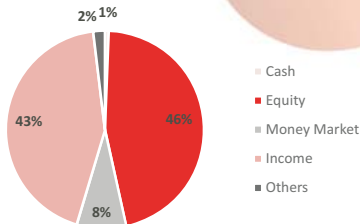
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	9,663.94	2,061.77
Gross loss	421.85	57.42
Net comprehensive loss	378.54	47.47
Net Assets Value per Unit (Rs.)	97.8844	99.9790
Issuance of units during the period	18,546.72	4,167.53
Redemption of units during the period	-9,695.96	-3,393.37

## Alfalsh GHP Prosperity Planning Fund- Active Allocation Plan

For 1HFY19 and CY18, the fund's return stood at -5.54% and -3.92% respectively against benchmark return of -4.25% and -1.20% respectively.

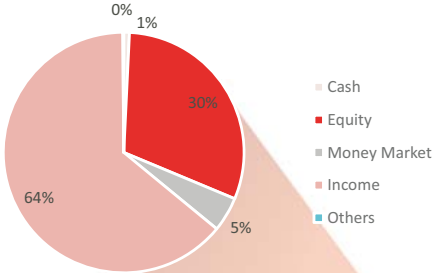
Asset Allocation - Active  
(as at 31 Dec 2018 )



**Alfalah GHP Prosperity Planning Fund- Moderate Allocation Plan**

For 1HFY19 and CY18, the fund's return stood at -2.82% and -0.96% respectively against benchmark's return of -0.74% and 2.46% respectively.

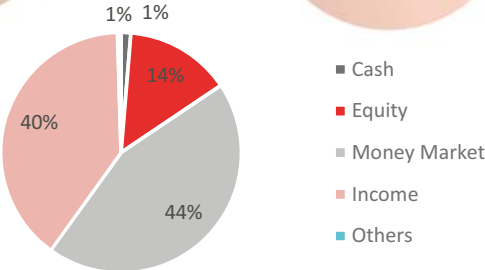
**Asset Allocation - Moderate**  
(as at 31 Dec 2018)



**Alfalah GHP Prosperity Planning Fund- Conservative Allocation Plan**

For 1HFY19 and CY18, the fund generated returns of 0.49% and 2.65% respectively, against the benchmark which generated 2.19% and 5.58% respectively.

**Asset Allocation - Conservative**  
(as at 31 Dec 2018)



**Key Financial Data *Alfalah GHP Prosperity Planning Fund***

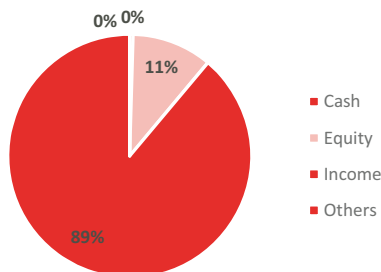
(Rupees in Million)

Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	Half year ended December 31, 2018			Half year ended December 31, 2017		
<i>Average Net Assets</i>	428.29	344.58	476.16	513.56	414.36	652.76
<i>Gross income</i>	-17.44	3.16	-10.86	-51.17	-4.54	-39.34
<i>Total Comprehensive Income</i>	-18.19	2.16	-11.84	-52.09	-5.73	-40.91
<i>Net Assets Value per Unit (PKR)</i>	100.34	103.87	96.97	105.18	108.68	102.17
<i>Issuance of units during the period</i>	3.57	76.02	22.91	244.39	35.80	77.93
<i>Redemption of units during the period</i>	-171.44	-158.36	-140.38	-2.33	-96.30	-308.48

**Alfalah GHP Islamic Prosperity Planning Fund- Moderate Allocation Plan**

For 1HFY19 and CY18, the fund generated a return of 1.82% and 3.17% against the benchmark which generated 0.27% and 2.88% respectively.

**Asset Allocation**  
(as at 31 December 2018)



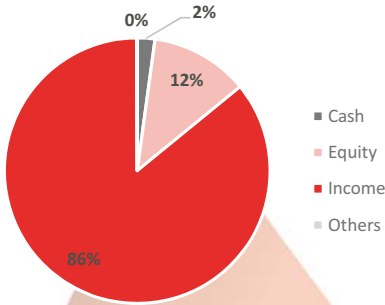
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**Alfalah GHP Islamic Prosperity Planning Fund- Balanced Allocation Plan**

For 1HFY19 and CY18, the fund generated a return of 0.87% and 2.87% against the benchmark which generated -0.64% and 0.95% respectively.

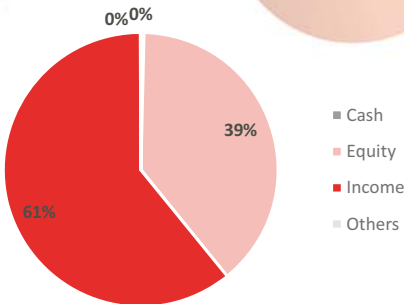
Asset Allocation  
( as at 31 December 2018)



**Alfalah GHP Islamic Prosperity Planning Fund- Active Allocation Plan II**

For 1HFY19 and CY18, the fund generated a return of -4.59% and -3.72% against the benchmark which generated -6.89% and -5.82% respectively.

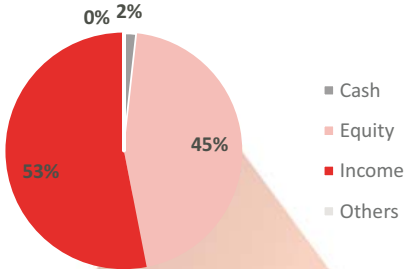
Asset Allocation  
( as at 31 December 2018)



**Alfalah GHP Islamic Prosperity Planning Fund - Active Allocation Plan III**

For 1HFY19 and CY18, the fund generated a return of -4.26% and -3.63% against the benchmark which generated -6.50% and -5.86% respectively.

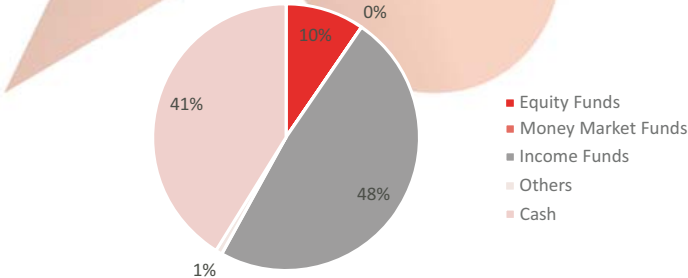
**Asset Allocation**  
(as at 31 December 2018)



**Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation Plan IV**

For 1HFY19 and CY18, the fund generated a return of 1.66% against benchmark's return of -0.02%.

**Asset Allocation**  
(as at 31 December 2018)

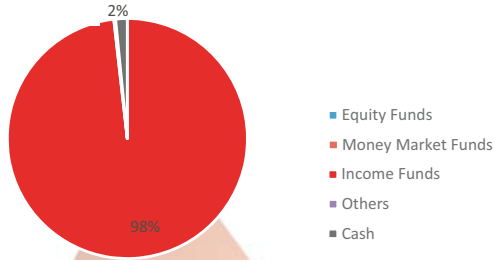




## Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation Plan V

For 1HFY19 and CY18, the fund generated a return of 0.29% against benchmark's return of -0.13%.

### Asset Allocation (as at 31 December 2018)



### Key Financial Data Alfalah GHP Islamic Prosperity Planning Fund

(Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	Half year ended December 31, 2018					
Average Net Assets	575.74	1,073.69	1,636.26	944.94	651.97	104.27
Gross income	11.83	11.34	-55.26	-37.48	15.28	0.39
Total Comprehensive Income	10.72	9.52	-57.54	-38.93	11.87	0.31
Net Assets Value per Unit (PKR)	99.73	100.30	88.17	91.21	101.66	100.29
Issuance of units during the period	-	192.70	-	-	896.14	104.22
Redemption of units	-347.78	-703.25	-611.66	-75.19	-414.55	-0.004

**Key Financial Data Alfalah GHP Islamic Prosperity Planning Fund**

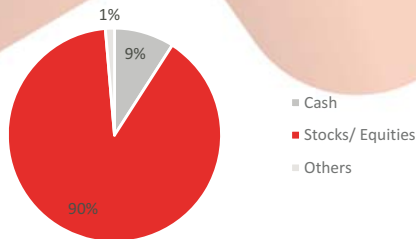
(Rupees in Million)

Description	Islamic Active Allocation Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III
	Half year ended December 31, 2017			
Average Net Assets	1,405.25	2,247.98	1,874.38	1,032.02
Gross income	-154.44	-45.02	-188.17	-53.45
Total Comprehensive Income	-158.43	50.61	-191.80	-55.86
Net Assets Value per Unit (PKR)	99.67	103.39	91.58	94.63
Issuance of units during the period	0.09	555.73	-	-
Redemption of units during the period	-164.63	-1,780.47	-32.58	-10.68

**Alfalah GHP Islamic Dedicated Equity Fund**

The fund generated a return of -10.14% against the benchmark which generated -13.91%. During CY18, the fund earned a return of -7.76% versus benchmark return of -10.84%.

Asset Allocation  
(as at 31 December 2018)

**Key Financial Data**

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	1,275.87	1,138.68
Gross loss	-123.66	-66.02
Net comprehensive loss	-139.94	-76.98
Net Assets Value per Unit (Rs.)	76.2170	82.6237
Issuance of units during the period	255.00	989.76
Redemption of units during the period	-798.40	-462.52

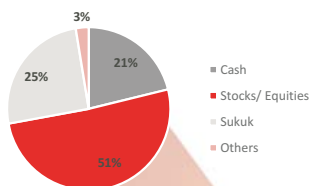
### Alfalah GHP Islamic Value Fund

The fund generated a return of -6.91% against the benchmark which generated -7.19%. During CY18, the fund earned a return of -7.22% versus benchmark return of -6.87%

#### Payout

Subsequent to the year end, the fund paid out cash dividend of PKR. 0.236 Per unit to the unit holders.

Asset Allocation  
(as at 31 December 2018)



#### Key Financial Data

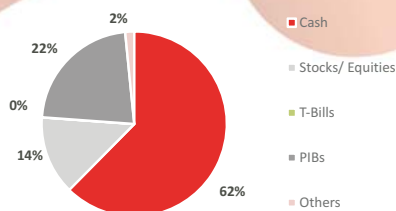
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	254.97	378.66
Gross loss	-10.06	5.11
Net comprehensive loss	-14.98	2.94
Net Assets Value per Unit (Rs.)	93.3727	100.8779
Issuance of units during the period	62.95	383.77
Redemption of units during the period	-150.04	-8.04

### Alfalah Capital Preservation Fund II

The fund generated a YTD return of -0.26% against benchmark of 1.56%. The fund's return for CY18 was -0.46% as against the benchmark of 1.67%.

Asset Allocation  
(as at 31 December 2018)



#### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018
Average Net Assets	1,114.16
Gross loss	11.69
Net comprehensive loss	-2.77
Net Assets Value per Unit (Rs.)	99.5422
Issuance of units during the period	-
Redemption of units during the period	-22.54

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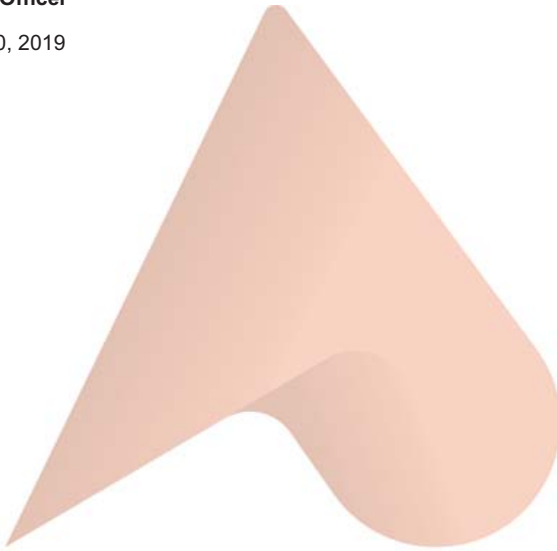
**Acknowledgement**

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

For and behalf of the Board

**Chief Executive Officer**

Date: February 20, 2019



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**Alfalah  
GHP Cash Fund**

## FUND INFORMATION

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<b>Management Company:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<b>Ms. Maheen Rahman (CEO)</b> <b>Syed Ali Sultan</b> <b>Mr. Hanspeter Beier</b> <b>Mr. Muhammad Tauqir Zafar</b> <b>Mr. Abid Naqvi</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Mr. Adeel Bajwa</b> <b>Ms. Mehreen Ahmed</b>
<b>Audit Committee:</b>	<b>Mr. Abid Naqvi</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b>
<b>HR Committee:</b>	<b>Syed Ali Sultan</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Ms. Maheen Rahman (CEO)</b> <b>Mr. Adeel Bajwa</b>
<b>Risk Committee:</b>	<b>Mr. Tufail Jawed Ahmad</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b> <b>Ms. Maheen Rahman (CEO)</b>
<b>Chief Operating Officer and Company Secretary :</b>	<b>Mr. Noman Ahmed Soomro</b>
<b>Chief Financial Officer:</b>	<b>Syed Hyder Raza Zaidi</b>
<b>Trustee:</b>	<b>MCB Financial Services Limited</b> 4th Floor, Pardasi House, 2/1 R-Y old Queens Road, Karachi
<b>Bankers to the Fund:</b>	<b>Bank Alfalah Limited</b>
<b>Auditors:</b>	<b>A.F. Ferguson &amp; Co.</b> <b>Chartered Accountants</b> State Life Building No. 1-C.I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	<b>Ahmed &amp; Qazi</b> <b>Advocates &amp; Legal Consultants</b> 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Registrar:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	<b>Bank Alfalah Limited</b>
<b>Rating:</b>	<b>AA+ (f) by PACRA</b>

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# MCB FINANCIAL SERVICES LIMITED

## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### ALFALAH GHP CASH FUND

#### Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Alfalaha GHP Cash Fund, an open-end Scheme established under a Trust Deed dated October 23, 2009 executed between Alfalah GHP Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The trust deed was approved by Securities and Exchange Commission of Pakistan (Commission) on October 07, 2009.

CDC retired as the Trustee of the Fund and MCB Financial Services Limited (MCBFSL) was appointed as the new trustee on 21 June 2012.

1. Alfalah GHP Investment Management Limited, the Management Company of Alfalah GHP Cash Fund has in all material respects managed Alfalah GHP Cash Fund during the period ended 31<sup>st</sup> December 2018 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement

Khawaja Anwar Hussain  
Chief Executive Officer  
MCB Financial Services Limited

Karachi: February 21, 2019

## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Cash Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi



**ALFALAH GHP CASH FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	----- (Rupees) -----
<b>Assets</b>			
Bank balances	4	116,289,538	159,000,078
Investments	5	-	-
Profit receivable on bank balances		7,368	41,686
Advance and prepayments		284,883	29,368
Receivable from the Management Company - net		-	210,184
<b>Total assets</b>		<u>116,581,789</u>	<u>159,281,316</u>
<b>Liabilities</b>			
Payable to the Management Company	6	11,381,699	11,273,028
Payable to the Trustee		32,604	28,046
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		45,304	98,605
Accrued and other liabilities	7	3,033,695	3,043,666
<b>Total liabilities</b>		<u>14,493,302</u>	<u>14,443,345</u>
<b>Net assets attributable to unit holders</b>		<u>102,088,487</u>	<u>144,837,971</u>
<b>Unit holders' fund (as per the statement attached)</b>		<u>102,088,487</u>	<u>144,837,971</u>
<b>Contingencies and commitments</b>			
	8	----- (Number of units) -----	
<b>Number of units in issue</b>		<u>199,178</u>	<u>278,429</u>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<u>512.55</u>	<u>520.20</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP CASH FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Half year ended		Quarter ended	
		December 31		December 31	
		2018	2017	2018	2017
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b>INCOME</b>					
Profit on bank balances		1,590,666	3,377,611	755,683	1,074,287
Profit on Government securities		3,854,010	2,054,877	1,886,192	1,128,845
Loss on sale of investments - net		(90,137)	(1,250)	(64,934)	(462)
<b>Total income</b>		<b>5,354,539</b>	<b>5,431,238</b>	<b>2,576,941</b>	<b>2,202,670</b>
<b>EXPENSES</b>					
Remuneration of the Management Company	6.1	604,138	778,762	268,506	303,135
Sindh sales tax on remuneration of the Management Company	6.2	78,547	101,237	34,915	39,409
Remuneration of the Trustee		255,078	263,054	126,040	126,040
Sindh sales tax on remuneration of the Trustee		32,753	34,177	15,978	16,376
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		45,304	58,430	20,138	22,755
Bank and settlement charges		3,980	41,183	3,955	27,735
Auditors' remuneration		319,579	408,296	159,789	204,148
Printing and publication charges		35,475	40,321	18,210	20,160
Brokerage expense, federal excise duty and capital value tax		35,724	9,631	34,947	968
Provision for Sindh Workers' Welfare Fund (SWWF)		75,591	69,694	36,081	26,875
Fee and subscriptions		164,401	211,501	90,444	98,217
<b>Total expenses</b>		<b>1,650,570</b>	<b>2,016,286</b>	<b>809,003</b>	<b>885,818</b>
<b>Net income for the period before taxation</b>		<b>3,703,969</b>	<b>3,414,952</b>	<b>1,767,938</b>	<b>1,316,852</b>
Taxation	10	-	-	-	-
<b>Net income for the period after taxation</b>		<b>3,703,969</b>	<b>3,414,952</b>	<b>1,767,938</b>	<b>1,316,852</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		3,703,969	3,414,952	1,767,938	1,316,852
Income already paid on units redeemed		(687,858)	(1,589,823)	(239,449)	(389,620)
		<b>3,016,111</b>	<b>1,825,129</b>	<b>1,528,489</b>	<b>927,232</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gain		-	-	-	337
- Excluding capital gain		3,016,111	1,825,129	1,528,489	926,895
		<b>3,016,111</b>	<b>1,825,129</b>	<b>1,528,489</b>	<b>927,232</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

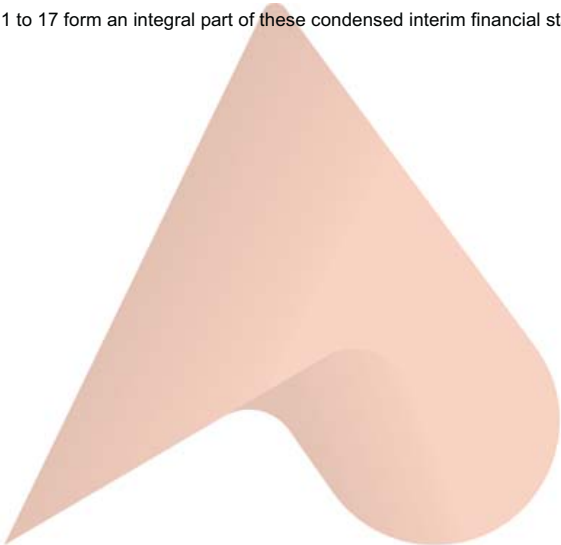
Chief Financial Officer

Director

**ALFALAH GHP CASH FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31</u>		<u>December 31</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- (Rupees) -----</u>		<u>----- (Rupees) -----</u>	
<b>Net income for the period after taxation</b>	3,703,969	3,414,952	1,767,938	1,316,852
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><u>3,703,969</u></u>	<u><u>3,414,952</u></u>	<u><u>1,767,938</u></u>	<u><u>1,316,852</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP CASH FUND**
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	(Rupees)			(Rupees)		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Capital value	131,483,088	-	131,483,088	1,397,355,269	-	1,397,355,269
Undistributed income brought forward						
- Realised income	-	13,354,883	13,354,883	-	8,884,852	8,884,852
- Unrealised loss	-	-	-	-	(97)	(97)
<b>Net assets at beginning of the period</b>	<b>131,483,088</b>	<b>13,354,883</b>	<b>144,837,971</b>	<b>1,397,355,269</b>	<b>8,884,755</b>	<b>1,406,240,024</b>
[Rs. 520.20 (June 30, 2017: Rs. 496.75) per unit]						
Issuance of 108,749 units (2017: 435,761 units)						
- Capital value (at net asset value per unit at the beginning of the period)	54,030,945	-	54,030,945	216,462,959	-	216,462,959
- Element of (loss) / income	(14,659)	-	(14,659)	710,737	-	710,737
Total proceeds on issuance of units	54,016,286	-	54,016,286	217,173,696	-	217,173,696
Redemption of 188,000 units (2017: 3,059,483 units)						
- Capital value (at net asset value per unit at the beginning of the period)	93,405,768	-	93,405,768	1,519,788,932	-	1,519,788,932
- Element of (income) / loss	(127,992)	687,858	559,866	377,329	1,589,823	1,967,152
Total payments on redemption of units	93,277,776	687,858	93,965,634	1,520,166,261	1,589,823	1,521,756,084
Total comprehensive income for the period	-	3,703,969	3,703,969	-	3,414,952	3,414,952
Final distribution for the year ended June 30, 2018 @ Rs. 23.36 per unit on July 02, 2018						
- Taxable dividend	-	(4,445,122)	(4,445,122)	-	-	-
- Refund of capital	(2,058,983)	-	(2,058,983)	-	-	-
Net income for the period less distribution	(2,058,983)	(741,153)	(2,800,136)	-	3,414,952	3,414,952
<b>Net assets at end of the period</b>	<b>90,162,615</b>	<b>11,925,872</b>	<b>102,088,487</b>	<b>94,362,704</b>	<b>10,709,884</b>	<b>105,072,588</b>
[Rs. 512.55 (December 31, 2017: Rs. 507.17) per unit]						
<b>Undistributed income carried forward</b>						
- Realised income		11,925,872			10,709,884	
- Unrealised loss		-			-	
		<u>11,925,872</u>			<u>10,709,884</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			-	
- Excluding capital gain		3,016,111			1,825,129	
		<u>3,016,111</u>			<u>1,825,129</u>	

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP CASH FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

	Half year ended	
	December 31	
Note	2018	2017
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	3,703,969	3,414,952
<b>Adjustments for:</b>		
Provision against Sindh Workers' Welfare Fund	75,591	69,694
	3,779,560	3,484,646
<b>Decrease / (increase) in assets</b>		
Investments - net	-	1,989,212
Profit receivable on bank balances	34,318	2,197,671
Advance and prepayments	(255,515)	-
Receivable from the Management Company - net	210,184	-
	(11,013)	4,186,883
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	108,671	(422,312)
Payable to the Trustee	4,558	(27,309)
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	(53,301)	(570,356)
Accrued and other liabilities	(144,985)	(279,773)
	(85,057)	(1,299,750)
<b>Net cash flows generated from operating activities</b>	3,683,490	6,371,779
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(4,385,699)	-
Amount received against issuance of units	51,957,303	217,173,696
Amount paid against redemption of units	(93,965,634)	(1,521,756,084)
<b>Net cash flows used in financing activities</b>	(46,394,030)	(1,304,582,388)
<b>Net decrease in cash and cash equivalents during the period</b>	(42,710,540)	(1,298,210,609)
Cash and cash equivalents at beginning of the period	159,000,078	1,417,567,939
<b>Cash and cash equivalents at end of the period</b>	12 <u>116,289,538</u>	<u>119,357,330</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP CASH FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Cash Fund (the Fund) is an open-ended Fund constituted under a Trust Deed entered into on October 23, 2009 between Alfalah GHP Investment Management Limited (the Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). In 2012, the first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and MCB Financial Services Limited was appointed as the new Trustee. The Securities and Exchange Commission of Pakistan (the SECP) authorised the constitution of the Trust Deed on June 13, 2012 and it was executed on June 21, 2012 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.

The Fund is categorised as a 'money market scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund offers two types of units, Growth and Income. Growth unit holders are entitled to bonus units and Income unit holders are entitled to cash dividend at the time of distribution by the Fund.

According to the trust deed, the objective of the Fund is to provide a regular stream of income at competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted mostly of money market securities and placements.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018 and has maintained the stability rating of the Fund at AA+(f) on December 3, 2018.

Title to the assets of the Fund are held in the name of MCB Financial Services Limited as the Trustee of the Fund.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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- 2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.

**3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN**

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.
- 3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017 has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

		<b>December 31, 2018 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	<u>116,289,538</u>	<u>159,000,078</u>

4.1 The rate of return on these accounts range between 8.00% to 10.73% (June 30, 2018: 5.3% to 7.35%) per annum. These include bank balance of Rs. 115.762 million (June 30, 2018: Rs. 158.84 million) maintained with Bank Alfalah Limited (a related party).

## 5 INVESTMENTS

### At fair value through profit or loss

Market Treasury Bills	5.1	<u>-</u>	<u>-</u>
-----------------------	-----	----------	----------

### 5.1 Market Treasury Bills

Particulars	Face Value			As at December 31, 2018		Investment as a percentage of		
	As at July 1, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value	Market value	Net assets	Total investments
	----- (Number of Certificates) -----			----- (Rupees) -----		----- (%) -----		
Market treasury bills - 3 Months	-	391,000,000	391,000,000	-	-	-	-	-
As at June 30, 2018				<u>-</u>	<u>-</u>	<u>-</u>		

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	6.1	97,165	-
Sindh sales tax payable on management remuneration	6.2	1,474,006	1,462,501
Federal excise duty payable on management remuneration	6.3	<u>9,810,527</u>	<u>9,810,527</u>
		<u>11,381,699</u>	<u>11,273,028</u>

6.1 The Management Company has charged its remuneration at the rate of 1% per annum of the average daily net assets for the period from July 1, 2018 to December 31, 2018. The amount of remuneration is payable to the Management Company monthly in arrears.



- 6.2 During the period, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (June 30, 2018: 13%).
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 9.810 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in these condensed interim financial statements of the Fund, the Net Asset Value per unit of the Fund as at December 31, 2018 would have been higher by Rs 49.25 per unit (June 30, 2018: Rs 35.24 per unit).

	Note	December 31 2018 (Un-audited)	June 30, 2018 (Audited)
		----- Rupees -----	
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	7.1	2,367,122	2,291,531
Auditors' remuneration payable		239,825	385,996
Brokerage payable		11,069	11,068
Withholding tax payable		5,180	5,095
Printing charges payable		57,735	36,035
Other payables		96,168	385
Annual rating fee payable		-	116,383
Dividend payable		256,596	197,173
		<u>3,033,695</u>	<u>3,043,666</u>

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their

CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Rs. 11.88 per unit (June 30, 2018: Rs. 8.23 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.38% which includes 0.194% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

## 10 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

## 11 EARNINGS PER UNIT (EPU)

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

	<u>Half year ended (Unaudited)</u>	
	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
<b>12 CASH AND CASH EQUIVALENTS</b>	----- (Rupees) -----	
Bank balances	<u>116,289,538</u>	<u>119,357,330</u>

## 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and MCB Financial Services Limited (MCBFSL) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 13.1 Unit Holders' Fund

		December 31, 2018 (Unaudited)									
AS AT DECEMBER 31, 2018		As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2018
		Units					(Rupees)				
<b>Associated Companies / Undertakings</b>											
Alfalah GHP Investment Management Limited	13.1.1	19,322	-	772	-	20,094	9,600,171	-	383,667	-	10,299,135
Alfalah GHP Prosperity Planning Fund	13.1.1	-	-	-	-	-	-	-	-	-	-
Alfalah GHP Active Allocation Plan		54,020	53,200	2,540	76,293	38,467	26,839,253	29,000,000	1,281,905	38,148,668	19,716,174
Alfalah GHP Conservative Allocation Plan		81,876	-	3,850	-	85,726	40,679,298	-	1,912,625	-	43,938,668
Alfalah GHP Moderate Allocation Plan		34,277	36,124	1,612	35,888	36,124	17,029,999	18,000,000	800,702	17,860,847	18,515,275
<b>December 31, 2017 (Unaudited)</b>											
		As at July 1, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 1, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2017
		Units					(Rupees)				
<b>Associated Companies / Undertakings</b>											
Alfalah GHP Investment Management Limited		19,322	-	-	-	19,322	9,598,432	-	-	-	9,799,772
Alfalah GHP Prosperity Planning Fund		-	-	-	-	-	-	-	-	-	-
Alfalah GHP Active Allocation Plan		-	68,244	-	5,939	62,305	-	34,000,000	-	3,000,000	31,599,446
Alfalah GHP Conservative Allocation Plan		-	46,155	-	11,878	34,277	-	23,000,000	-	6,000,000	17,384,076
Alfalah GHP Moderate Allocation Plan		-	54,020	-	-	54,020	-	27,000,000	-	-	27,397,279
<b>Unit holder holding 10% or more Units</b>											
The Nishat Mills Limited - Employees Provident Fund		2,725,461	-	-	2,725,461	-	1,353,872,712	-	-	1,354,725,113	-

13.1.1 This reflects the position of related party / connected persons as at December 31, 2018.

### 13.2 Other transactions

	Half year ended (Unaudited)	
	December 31, 2018	December 31, 2017
(Rupees)		
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	604,138	778,762
Sindh sales tax on remuneration of the Management Company	78,547	101,237
<b>Bank Alfalah Limited</b>		
Profit on bank balances	809,425	723,096
Bank charges	3,118	11,720
<b>Alfalah GHP Money Market Fund</b>		
Treasury Bill - purchased	19,666,320	-
<b>Alfalah GHP Sovereign Fund</b>		
Treasury Bill - sold	114,379,375	-
<b>Other related parties</b>		
<b>MCB Financial Services Limited - Trustee</b>		
Remuneration of the Trustee	255,078	263,054
Sindh sales tax on remuneration of the Trustee	32,753	34,177

13.3 Other balances	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Associated companies / undertakings	----- (Rupees) -----	
<b>Alfalsh GHP Investment Management Limited - Management Company</b>		
Management remuneration payable / (receivable)	97,165	(210,184)
Sindh sales tax payable on management remuneration	1,474,006	1,462,501
Federal excise duty payable on management remuneration	9,810,527	9,810,527
<b>Bank Alfalah Limited</b>		
Bank balance	115,761,683	158,841,800
Profit receivable	1,844	43,333
<b>Other related parties</b>		
<b>MCB Financial Services Limited - Trustee</b>		
Trustee remuneration payable	27,136	22,742
Sindh sales tax payable on trustee remuneration	5,468	5,304

#### 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

##### 14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at 31 December 2018 and June 30, 2018, the Fund held no financial instruments measured at fair value.

During the half year ended December 31, 2018, 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.

#### 15 CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

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**16 GENERAL**

**16.1** Figures have been rounded off to the nearest Pakistani Rupee.

**16.2** Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the auditors.

**16.3** 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. During the period, the Fund remained below one hundred million rupees on certain days, however the same was complied within the time limit as specified in the NBFC Regulations.

**17 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

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**Alfalah  
GHP Money Market Fund**

## FUND INFORMATION

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<b>Management Company:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<b>Ms. Maheen Rahman (CEO)</b> <b>Syed Ali Sultan</b> <b>Mr. Hanspeter Beier</b> <b>Mr. Muhammad Tauqir Zafar</b> <b>Mr. Abid Naqvi</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Mr. Adeel Bajwa</b> <b>Ms. Mehreen Ahmed</b>
<b>Audit Committee:</b>	<b>Mr. Abid Naqvi</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b>
<b>HR Committee:</b>	<b>Syed Ali Sultan</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Ms. Maheen Rahman (CEO)</b> <b>Mr. Adeel Bajwa</b>
<b>Risk Committee:</b>	<b>Mr. Tufail Jawed Ahmad</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b> <b>Ms. Maheen Rahman (CEO)</b>
<b>Chief Operating Officer and Company Secretary :</b>	<b>Mr. Noman Ahmed Soomro</b>
<b>Chief Financial Officer:</b>	<b>Syed Hyder Raza Zaidi</b>
<b>Trustee:</b>	<b>Central Depository Company of Pakistan Limited</b> CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	<b>Bank Alfalah Limited</b>
<b>Auditors:</b>	<b>A. F. Ferguson &amp; Co.</b> <b>Chartered Accountants</b> State Life Building No. 1-C.I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	<b>Ahmed &amp; Qazi</b> <b>Advocates &amp; Legal Consultants</b> 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Registrar:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	<b>Bank Alfalah Limited</b>
<b>Rating:</b>	<b>AA+ (f) by PACRA</b>

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**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP MONEY MARKET FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Money Market 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019



# AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

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## ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalsh GHP Money Market Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalsh GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

## ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## ***Other matter***

The condensed interim financial statements of the Fund for the half year ended December 31, 2017 were reviewed and the financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 26, 2018 and September 24, 2018 respectively.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP MONEY MARKET FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
Note	----- (Rupees) -----	-----
<b>Assets</b>		
Bank balances	4 11,809,764,930	5,166,589,960
Investments	5 1,969,721,944	-
Prepayments and profit receivable	6 25,455,095	10,298,242
<b>Total assets</b>	13,804,941,969	5,176,888,202
<b>Liabilities</b>		
Payable to the Management Company	7 17,565,223	14,054,256
Payable to the Trustee	984,251	397,926
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	3,653,756	2,017,058
Accrued and other liabilities	8 34,532,973	9,237,858
<b>Total liabilities</b>	56,736,203	25,707,098
<b>Net assets attributable to the unit holders</b>	<u>13,748,205,766</u>	<u>5,151,181,104</u>
<b>Unit holders' fund (as per statement attached)</b>	<u>13,748,205,766</u>	<u>5,151,181,104</u>
<b>Contingencies and commitments</b>	9	
	----- (Number of units) -----	
<b>Number of units in issue</b>	<u>140,453,472</u>	<u>50,137,701</u>
	----- (Rupees) -----	
<b>Net assets value per unit</b>	<u>97.8844</u>	<u>102.7407</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP MONEY MARKET FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
<b>INCOME</b>				
Profit on bank balances	223,218,153	34,661,294	158,550,143	19,116,753
Income on Government securities	133,658,870	20,078,177	63,703,262	11,221,562
Income on term deposit receipts	25,388,356	2,592,973	23,892,466	1,816,699
Income on letters of placement	45,923,044	-	38,815,236	-
(Loss) / gain on sale of investments - net	(6,341,494)	87,597	(5,693,771)	82,915
<b>Total income</b>	<b>421,846,929</b>	<b>57,420,041</b>	<b>279,267,336</b>	<b>32,237,929</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	7.1 23,503,756	5,738,738	13,619,178	3,223,394
Sindh sales tax on remuneration of the Management Company	7.2 3,055,488	746,034	1,770,493	419,041
Remuneration of the Trustee	3,954,601	1,067,911	2,381,584	574,596
Sindh sales tax on remuneration of the Trustee	514,098	138,829	309,606	74,698
Annual fee to the Securities and Exchange Commission of Pakistan	3,653,756	689,801	2,269,833	385,537
Brokerage and securities transaction cost	313,311	60,679	271,357	24,969
Bank and settlement charges	169,151	63,918	157,083	25,110
Auditors' remuneration	136,110	241,800	68,055	120,879
Provision against Sindh Workers' Welfare Fund	7,725,286	968,720	5,165,039	545,401
Fees and subscriptions	246,989	195,959	150,450	99,418
Printing charges	35,288	40,372	17,644	20,208
<b>Total expenses</b>	<b>43,307,834</b>	<b>9,952,761</b>	<b>26,180,322</b>	<b>5,513,251</b>
<b>Net income for the period before taxation</b>	<b>378,539,095</b>	<b>47,467,280</b>	<b>253,087,014</b>	<b>26,724,678</b>
Taxation	10 -	-	-	-
<b>Net income for the period after taxation</b>	<b>378,539,095</b>	<b>47,467,280</b>	<b>253,087,014</b>	<b>26,724,678</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	378,539,095	47,467,280	253,087,014	26,724,678
Income already paid on units redeemed	(32,949,931)	(15,356,160)	(11,993,578)	(12,798,166)
	<b>345,589,164</b>	<b>32,111,120</b>	<b>241,093,436</b>	<b>13,926,512</b>
<b>Accounting income available for distribution</b>				
- Relating to capital gains	-	59,258	-	55,153
- Excluding capital gains	345,589,164	32,051,862	241,093,436	13,871,359
	<b>345,589,164</b>	<b>32,111,120</b>	<b>241,093,436</b>	<b>13,926,512</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer

Chief Financial Officer

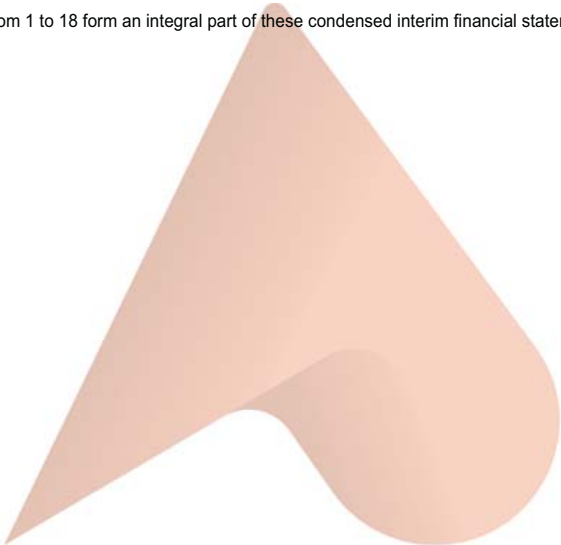
Director

**ALFALAH GHP MONEY MARKET FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE  
INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

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	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net income for the period after taxation</b>	378,539,095	47,467,280	253,087,014	26,724,678
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>378,539,095</u>	<u>47,467,280</u>	<u>253,087,014</u>	<u>26,724,678</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP MONEY MARKET FUND**

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	For the half year ended December 31, 2018			For the half year ended December 31, 2017		
	Capital value	Undistributed income / (loss)	Total	Capital value	Undistributed income / (loss)	Total
	(Rupees)			(Rupees)		
Capital value	5,066,969,507	-	5,066,969,507	1,239,840,633	-	1,239,840,633
Undistributed income brought forward						
- Realised income	-	84,211,597	84,211,597	-	301,990	301,990
- Unrealised income	-	-	-	-	(97)	(97)
<b>Net assets at beginning of the period [Rs. 102.7407 (June 30, 2017: Rs 97.4166) per unit]</b>	<b>5,066,969,507</b>	<b>84,211,597</b>	<b>5,151,181,104</b>	<b>1,239,840,633</b>	<b>301,893</b>	<b>1,240,142,526</b>
Issuance of 203,427,272 (2017: 42,252,572) units						
- Capital value (at net asset value per unit at the beginning of the period)	19,817,193,212	-	19,817,193,212	4,116,101,905	-	4,116,101,905
- Element of (loss) / income	(1,270,468,899)	-	(1,270,468,899)	51,428,424	-	51,428,424
Total proceeds on issuance of units	18,546,724,313	-	18,546,724,313	4,167,530,329	-	4,167,530,329
Redemption of 113,111,501 (2017: 34,360,788) units						
- Capital value (at net asset value per unit at the beginning of the period)	11,018,937,946	-	11,018,937,946	3,347,311,140	-	3,347,311,140
- Element of (income) / loss	(1,355,923,711)	32,949,931	(1,322,973,780)	30,698,344	15,356,160	46,054,504
Total payments on redemption of units	9,663,014,235	32,949,931	9,695,964,166	3,378,009,484	15,356,160	3,393,365,644
Total comprehensive income for the year	-	378,539,095	378,539,095	-	47,467,280	47,467,280
Final distribution for the year ended June 30, 2018 @ Rs. 5.3241 per unit on July 02, 2018						
- Taxable dividend	-	(83,910,699)	(83,910,699)	-	-	-
- Refund of capital	(183,027,425)	-	(183,027,425)	-	-	-
1st interim distribution for the year ending June 30, 2019 @ Rs. 1.4682 per unit on September 28, 2018						
- Taxable dividend	-	(90,541,165)	(90,541,165)	-	-	-
- Refund of capital	(48,113,662)	-	(48,113,662)	-	-	-
2nd interim distribution for the year ending June 30, 2019 @ Rs. 0.5335 per unit on October 26, 2018						
- Taxable dividend	-	(49,167,593)	(49,167,593)	-	-	-
- Refund of capital	(13,741,109)	-	(13,741,109)	-	-	-
3rd interim distribution for the year ending June 30, 2019 @ Rs. 0.6324 per unit on November 29, 2018						
- Taxable dividend	-	(70,574,501)	(70,574,501)	-	-	-
- Refund of capital	(10,715,201)	-	(10,715,201)	-	-	-
4th interim distribution for the year ending June 30, 2019 @ Rs. 0.6101 per unit on December 27, 2018						
- Taxable dividend	-	(73,471,330)	(73,471,330)	-	-	-
- Refund of capital	(9,011,895)	-	(9,011,895)	-	-	-
Net income for the period less distribution	(264,609,292)	10,873,807	(253,735,485)	-	47,467,280	47,467,280
<b>Net assets at end of the period [Rs. 97.8844 per unit] (December 31, 2017: Rs 99.9790 per unit)</b>	<b>13,686,070,293</b>	<b>62,135,473</b>	<b>13,748,205,766</b>	<b>2,029,361,478</b>	<b>32,413,013</b>	<b>2,061,774,491</b>
Undistributed income carried forward						
- Realised		62,135,473			32,413,013	
- Unrealised		-			-	
		<u>62,135,473</u>			<u>32,413,013</u>	
Accounting income available for distribution						
- Relating to capital gains		-			59,258	
- Excluding capital gains		345,589,164			32,051,862	
		<u>345,589,164</u>			<u>32,111,120</u>	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP MONEY MARKET FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended	
	December 31, 2018	December 31, 2017
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	378,539,095	47,467,280
<b>Adjustment for:</b>		
Provision against Sindh Workers Welfare Fund	7,725,286	968,720
	<u>386,264,381</u>	<u>48,436,000</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	-	101,989,214
Prepayments and profit receivable	(15,156,853)	(5,494,842)
	<u>(15,156,853)</u>	<u>96,494,372</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	3,510,967	(214,748)
Payable to the Trustee	586,325	19,833
Annual fee payable to the Securities and Exchange Commission of Pakistan	1,636,698	(355,510)
Accrued and other liabilities	14,304,740	(7,495,129)
	<u>20,038,730</u>	<u>(8,045,554)</u>
<b>Net cash flows generated from operating activities</b>	<u>391,146,258</u>	<u>136,884,818</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(364,400,199)	-
Amount received on issuance of units	18,282,115,021	4,167,530,329
Amount paid against redemption of units	(9,695,964,166)	(3,393,365,644)
<b>Net cash flows generated from financing activities</b>	<u>8,221,750,656</u>	<u>774,164,685</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>8,612,896,914</u>	<u>911,049,503</u>
Cash and cash equivalents at beginning of the period	5,166,589,960	1,159,217,800
<b>Cash and cash equivalents at end of the period</b>	<u>13,779,486,874</u>	<u>2,070,267,303</u>
	13	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP MONEY MARKET FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Money Market Fund (formerly IGI Money Market Fund) (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between IGI Funds Limited, (Former Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on March 04, 2010. On October 15, 2013, the management rights were transferred from the Former Management Company to Alfalah GHP Investment Management Limited (the Management Company) by sanctioning of order by the Securities and Exchange Commission of Pakistan Limited (the SECP) vide its letter No. SCD/NBFC-II/IGIFL and AFGHP/742/2013. The SECP has approved second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/238/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Money Market Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as a 'money market scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk. The Fund invests in Government Securities, Certificates of Investment, Certificates of Deposit, Certificates of Musharika, Term Deposit Receipts, Commercial Papers, reverse repurchase transactions, etc. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018 and has maintained the stability rating of the Fund to AA+(f) on December 03, 2018.

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

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.

### 3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND FINANCIAL RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements of IFRS 9 relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees) -----	
<b>4. BANK BALANCES</b>			
Savings accounts	4.1	11,809,764,930	5,166,589,960
		<u>11,809,764,930</u>	<u>5,166,589,960</u>

4.1 The rate of return on these accounts ranges between 8% to 10.80% (June 30, 2018: 5.30% to 7.35%) per annum. These include bank balance of Rs. 2,795.389 million (June 30, 2018: Rs. 654.105 million) maintained with Bank Alfalah Limited (a related party).

#### 5. INVESTMENTS

##### At fair value through profit or loss

Market Treasury Bills	5.1	-	-
Term deposit receipts	5.2	700,208,080	-
Letters of placement	5.3	1,269,513,864	-
		<u>1,969,721,944</u>	<u>-</u>

#### 5.1 Market Treasury Bills

Issue date	Face value				As at December 31, 2018			Market value as a percentage of net assets	Market value as a percentage of total investments	
	As at July 01, 2018	Purchased during the period	Sales during the period	Matured during the period	As at December 31, 2018	Carrying value	Market value			Appreciation/ (diminution)
									----- (Rupees) -----	----- % -----
Treasury bills - 3 months	-	42,615,100,000	42,356,100,000	259,000,000	-	-	-	-	0.00%	0.00%
Treasury bills - 12 months	-	2,500,000,000	-	2,500,000,000	-	-	-	-	0.00%	0.00%
<b>Total as at December 31, 2017</b>	<b>-</b>	<b>45,115,100,000</b>	<b>42,356,100,000</b>	<b>2,759,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total as at June 30, 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

#### 5.2 Term deposit receipts

Term deposit receipts - having original maturity of 3 months or less

Name of the investee company	Rate of Return per annum	Face value			As at December 31, 2018	Carrying value as at December 31, 2018	Maturity	Face value as percentage of total investment	Face value as percentage of net assets	
		As at July 01, 2018	Purchased during the period	Matured during the period						
									----- (Rupees) -----	----- % -----
Bank Alfalah Limited	8.60%	-	1,000,000,000	1,000,000,000	-	-	30-Nov-18	0.00%	0.00%	
Bank Alfalah Limited	10.75%	-	1,260,000,000	1,260,000,000	-	-	31-Dec-18	0.00%	0.00%	
Samba Bank Limited	7.80%	-	500,000,000	500,000,000	-	-	22-Sep-18	0.00%	0.00%	
Samba Bank Limited	8.80%	-	1,000,000,000	1,000,000,000	-	-	12-Nov-18	0.00%	0.00%	
Samba Bank Limited	10.85%	-	700,000,000	-	700,000,000	700,208,080	31-Jan-19	35.55%	5.09%	
		<b>-</b>	<b>4,460,000,000</b>	<b>3,760,000,000</b>	<b>700,000,000</b>	<b>700,208,080</b>				

### 5.3 Letters of placement

Name of the investee company	Rate of Return per annum	Face value				Carrying value as at December 31, 2018	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
		As at July 01, 2018	Purchased during the period	Matured during the period	As at December 31, 2018					
(Rupees)										
Pak Oman Investment Company Limited	7.90%	-	400,000,000	400,000,000	-	-	16-Aug-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	7.75%	-	700,000,000	700,000,000	-	-	27-Aug-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	7.70%	-	800,000,000	800,000,000	-	-	07-Sep-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	7.75%	-	800,000,000	800,000,000	-	-	12-Sep-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	7.70%	-	850,000,000	850,000,000	-	-	14-Sep-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	7.70%	-	850,000,000	850,000,000	-	-	17-Sep-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	7.75%	-	800,000,000	800,000,000	-	-	25-Sep-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	8.60%	-	930,000,000	930,000,000	-	-	11-Oct-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	8.75%	-	1,000,000,000	1,000,000,000	-	-	19-Oct-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	8.25%	-	1,000,000,000	1,000,000,000	-	-	30-Oct-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	8.50%	-	1,000,000,000	1,000,000,000	-	-	16-Nov-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	10.00%	-	1,260,000,000	1,260,000,000	-	-	06-Dec-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	10.15%	-	1,260,000,000	1,260,000,000	-	-	10-Dec-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	10.30%	-	1,320,000,000	1,320,000,000	-	-	14-Dec-18	AA+	0.00%	0.00%
Pak Oman Investment Company Limited	10.07%	-	1,350,000,000	1,350,000,000	-	-	17-Dec-18	AA+	0.00%	0.00%
		-	14,320,000,000	14,320,000,000	-	-				

Name of the investee company	Rate of Return per annum	Face value				Carrying value as at December 31, 2018	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
		As at July 01, 2018	Purchased during the period	Matured during the period	As at December 31, 2018					
(Rupees)										
Pak Brunei Investment Company Limited	7.60%	-	550,000,000	550,000,000	-	-	19-Jul-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	7.75%	-	400,000,000	400,000,000	-	-	24-Sep-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	7.85%	-	400,000,000	400,000,000	-	-	25-Sep-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	8.80%	-	900,000,000	900,000,000	-	-	12-Oct-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	8.60%	-	1,100,000,000	1,100,000,000	-	-	22-Nov-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	8.65%	-	1,200,000,000	1,200,000,000	-	-	26-Nov-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	8.72%	-	1,200,000,000	1,200,000,000	-	-	30-Nov-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	10.05%	-	1,260,000,000	1,260,000,000	-	-	06-Dec-18	AA+	0.00%	0.00%
Pak Brunei Investment Company Limited	10.60%	-	1,260,000,000	-	1,260,000,000	1,269,513,864	30-Jan-19	AA+	64.45%	9.16%
		-	8,270,000,000	7,010,000,000	1,260,000,000	1,269,513,864				
MCB Bank Limited	7.80%	-	400,000,000	400,000,000	-	-	17-Aug-18	AAA	0.00%	0.00%
		-	400,000,000	400,000,000	-	-				
Zarai Taraqati Bank Limited	7.80%	-	300,000,000	300,000,000	-	-	29-Aug-18	AAA	0.00%	0.00%
Zarai Taraqati Bank Limited	8.65%	-	1,100,000,000	1,100,000,000	-	-	26-Nov-18	AAA	0.00%	0.00%
Zarai Taraqati Bank Limited	8.65%	-	100,000,000	100,000,000	-	-	26-Nov-18	AAA	0.00%	0.00%
Zarai Taraqati Bank Limited	8.90%	-	1,200,000,000	1,200,000,000	-	-	04-Dec-18	AAA	0.00%	0.00%
		-	2,700,000,000	2,700,000,000	-	-				
Pak China Investment Company Limited	8.85%	-	600,000,000	600,000,000	-	-	30-Nov-18	AAA	0.00%	0.00%
Pak China Investment Company Limited	10.30%	-	922,000,000	922,000,000	-	-	12-Dec-18	AAA	0.00%	0.00%
Pak China Investment Company Limited	10.10%	-	500,000,000	500,000,000	-	-	14-Dec-18	AAA	0.00%	0.00%
Pak China Investment Company Limited	10.25%	-	800,000,000	800,000,000	-	-	17-Dec-18	AAA	0.00%	0.00%
		-	2,822,000,000	2,822,000,000	-	-				
		-	28,512,000,000	27,252,000,000	1,260,000,000	1,269,513,864				

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
<b>6. PREPAYMENTS AND MARK-UP RECEIVABLE</b>			
Prepayments		163,266	-
Profit receivable on bank balances		25,291,829	10,298,242
		<u>25,455,095</u>	<u>10,298,242</u>
<b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management remuneration payable	7.1	5,170,025	2,092,266
Sindh sales tax payable on management remuneration	7.2	1,241,426	841,317
Federal excise duty payable on management remuneration	7.3	11,119,352	11,119,352
Sales load payable		34,420	1,321
		<u>17,565,223</u>	<u>14,054,256</u>

7.1 The Management Company is entitled to remuneration at the rate of 7.5% of the gross earnings, calculated on a daily basis which is in aggregate lower than the maximum rate of remuneration permitted under the NBFC Regulations, 2008 (which is currently restricted to 1% of the average annual net assets of the scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs.11.119 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.08 per unit (June 30, 2018: Re. 0.22 per unit).

8. ACCRUED AND OTHER LIABILITIES	Note	December 31,	June 30,
		2018 (Un-audited)	2018 (Audited)
		----- (Rupees) -----	
		12,123,059	4,397,773
		302,916	166,806
		10,667,753	228,897
		1,719,995	3,601,866
		272,013	57,658
		61,396	35,940
		3,265,089	-
		4,070,695	535,888
		2,050,057	36,736
		-	176,294
		<u>34,532,973</u>	<u>9,237,858</u>

- 8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.09 per unit (June 30, 2018: Re. 0.05 per unit).

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

## 10. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of the section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income tax Ordinance, 2001. Since the management company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

## 11. EARNINGS PER UNIT

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of the same is not practicable.

## 12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 0.45% which includes 0.16% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

	Half year ended	
	December 31, 2018	December 31, 2017
	----- (Rupees) -----	
<b>13. CASH AND CASH EQUIVALENTS</b>		
Bank balances	11,809,764,930	2,070,267,303
Term deposit receipts - having original maturity of 3 months or less	1,969,721,944	-
	<u>13,779,486,874</u>	<u>2,070,267,303</u>

## 14. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 14.1 Unit Holders' Fund

	Half year ended December 31, 2018 (Un-audited)									
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend / reinvestme nt	Redeemed/ conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend / reinvestment	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2018
	----- Units -----					----- (Rupees) -----				
<b>Associated companies / undertakings</b>										
Alfalah GHP Investment Management Limited	2,772,188	613,961	229,933	562,344	3,063,738	284,816,536	60,075,010	22,421,323	55,000,000	298,913,312
Alfalah GHP Prosperity Planning Fund	1,966,385	5,158,282	198,169	6,445,346	879,490	202,233,253	505,500,000	19,324,074	630,859,874	86,088,351

Half year ended December 31, 2018 (Un-audited)										
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend / reinvestment	Redeemed/ conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend / reinvestment	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2018	
Units				Rupees						
<b>Key management personnel (Employees)</b>										
Chief Executive Officer	14,778	-	1,259	-	16,037	1,518,302	-	122,776	-	1,569,772
Chief Operating Officer	1,461	2	80	1,541	2	150,104	197	7,773	150,568	196
Chief Financial Officer	1,522	-	81	1,603	-	156,371	-	7,909	157,879	-
Head of Operation	2,152	3	186	-	2,341	221,098	273	18,154	-	229,147
Head of Compliance	101	-	6	102	5	10,377	-	540	10,000	489
Head of Corporate Sales	9,926	2	730	6,635	4,023	1,019,804	160	71,193	650,000	393,789
AVP - Human Resource	892	409	73	1,374	-	91,645	40,000	7,118	134,546	-
AVP - Administration	-	3,637	-	3,637	-	-	354,848	-	355,264	-
AVP - Investor Services	361	-	19	380	-	37,089	-	1,878	37,309	-
<b>Unit holder holding 10% or more units</b>										
Gul Ahmed Energy Limited	481,341	31,878,001	502,803	14,535,080	18,327,065	49,453,311	3,125,427,645	49,093,030	1,427,250,751	1,793,933,761
Fauji Fertilizer Company Limited	-	35,189,866	497,323	11,424,483	24,262,706	-	3,452,000,000	48,576,033	1,119,615,348	2,374,940,419

Half year ended December 31, 2017 (Un-audited)										
As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend / reinvestment	Redeemed/ conversion out / transfer out	As at December 31, 2017	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend / reinvestment	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2017	
Units				Rupees						
<b>Associated companies / undertakings</b>										
Alfalsh GHP Investment Management Limited	-	3,814,965	-	3,814,965	-	379,069,794	-	-	381,416,386	
Alfalsh GHP Prosperity Planning Fund	62,199	4,458,929	-	1,755,654	2,765,474	6,059,215	438,500,000	-	174,500,000	276,489,325
<b>Unit holder holding 10% or more units</b>										
National Bank of Pakistan	-	2,651,004	-	2,651,004	-	260,997,119	-	-	265,044,729	

#### Half year ended (Un-audited)

December 31, 2018      December 31, 2017

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

#### 14.2 Other transactions

##### Associated companies / undertakings

##### Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	23,503,756	5,738,738
Sindh sales tax on remuneration of the Management Company	3,055,488	746,034

	Half year ended (Un-audited)	
	December 31, 2018	December 31, 2017
	----- (Rupees) -----	
<b>Bank Alfalah Limited</b>		
Bank charges	136,000	35,960
Profit on bank balances	66,834,908	11,196,769
Term deposit receipts - purchased	2,260,000,000	-
Term deposit receipts - matured	2,260,000,000	-
<b>Alfalah Capital Preservation Fund - II</b>		
Market Treasury Bill - sold	39,332,640	-
Market Treasury Bill - purchased	39,685,000	-
<b>Alfalah GHP Sovereign Fund</b>		
Market Treasury Bill - sold	1,144,894,898	-
Market Treasury Bill - purchased	914,997,550	-
<b>MCBFSL Trustee Alfalah GHP Cash Fund</b>		
Market Treasury Bill - sold	19,666,320	-
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the Trustee	3,954,601	1,067,911
Sindh sales tax on remuneration of the Trustee	514,098	138,829
	<b>December 31,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2018</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>14.3 Other balances</b>	----- (Rupees) -----	
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	5,170,025	2,092,266
Sindh sales tax payable on management remuneration	1,241,426	841,317
Federal excise duty payable on management remuneration	11,119,352	11,119,352
Sales load payable	34,420	1,321
<b>Bank Alfalah Limited</b>		
Bank balances	2,795,389,219	654,104,822
Profit receivable on bank balances	873,711	575,287
Sales load payable	4,070,695	535,888

<b>Other related parties</b>	<b>December 31, 2018 (Un-audited)</b>	<b>June 30, 2018 (Audited)</b>
	----- (Rupees) -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	<u>1,652,324</u>	<u>351,270</u>
Sales tax on Trustee fee	<u>215,794</u>	<u>46,656</u>

## 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

<b>ASSETS</b>	<b>December 31, 2018</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss'</b>				
Market Treasury Bills	-	-	-	-
Term deposit receipts *	-	-	700,208,080	700,208,080
Letters of placement *	-	-	1,269,513,864	1,269,513,864
	<u>-</u>	<u>-</u>	<u>1,969,721,944</u>	<u>1,969,721,944</u>
	<b>June 30, 2018</b>			
<b>ASSETS</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss'</b>				
Market Treasury Bills	-	-	-	-
Term deposit receipts	-	-	-	-
Letters of placement	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



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\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the half year ended December 31, 2018, 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.

#### **16. CORRESPONDING FIGURES**

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

#### **17. GENERAL**

**17.1** Figures have been rounded off to the nearest Pakistani Rupee.

**17.2** Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the auditors.

#### **18. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on **February 20, 2019** by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Sovereign Fund**

## FUND INFORMATION

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<b>Management Company:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
<b>Audit Committee:</b>	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
<b>HR Committee:</b>	Syed Ali Sultan Mr. Tufail Jawed Ahmad Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
<b>Risk Committee:</b>	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
<b>Chief Operating Officer and Company Secretary :</b>	Mr. Noman Ahmed Soomro
<b>Chief Financial Officer:</b>	Syed Hyder Raza Zaidi
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	A. F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C.I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	AA-(f) by PACRA

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**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP SOVEREIGN FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Sovereign 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

# AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

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## ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalsh GHP Sovereign Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalsh GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

## ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## ***Other matter***

The condensed interim financial statements of the Fund for the half year ended December 31, 2017 were reviewed and the financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 26, 2018 and September 24, 2018 respectively.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP SOVEREIGN FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

		<b>December 31, 2018</b>	<b>June 30, 2018</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	<b>-----</b>
<b>Assets</b>			
Bank balances	4	535,733,572	754,161,184
Investments - net	5	1,150,419,002	735,477,654
Deferred formation cost		163,684	329,857
Prepayments and profit receivable	6	9,103,075	10,658,343
Receivable against Margin Trading System (MTS)		66,997,152	-
<b>Total assets</b>		<u>1,762,416,485</u>	<u>1,500,627,038</u>
<b>Liabilities</b>			
Payable to the Management Company	7	23,873,872	22,754,088
Payable to the Trustee		129,588	132,812
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)		344,519	931,632
Payable against purchase of investments	8	787,707,400	626,295,180
Accrued and other liabilities	9	14,177,896	12,994,361
<b>Total liabilities</b>		<u>826,233,275</u>	<u>663,108,073</u>
<b>Net assets attributable to unit holders</b>		<u>936,183,210</u>	<u>837,518,965</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>936,183,210</u>	<u>837,518,965</u>
<b>Contingencies and commitments</b>	10	<b>----- (Number of units) -----</b>	
<b>Number of units in issue</b>		<u>8,585,851</u>	<u>7,544,879</u>
		<b>----- (Rupees) -----</b>	
<b>Net assets value per unit</b>		<u>109.0379</u>	<u>111.0050</u>

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

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP SOVEREIGN FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Half year ended		Quarter ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Rupees)		(Rupees)	
<b>INCOME</b>					
Profit on bank balances		15,327,059	17,317,327	7,844,912	14,040,152
Income / (loss) from Marginal Trading System (MTS)		922,320	76,650	922,320	(35,678)
Income from term deposit receipts		2,507,019	281,917	1,878,355	281,917
Income from term finance certificates		5,666,910	6,663,999	3,007,132	3,045,638
Income from Government securities		16,575,684	15,467,308	9,043,460	3,016,716
Loss on sale of investments - net		(1,770,435)	(216,121)	(1,796,897)	(166,047)
Unrealised (loss) / gain on revaluation of investments - net	5.5	(2,159,550)	(743,951)	3,666,532	579,772
Other income		13,336	104,585	13,336	104,585
<b>Total income</b>		<b>37,082,343</b>	<b>38,951,714</b>	<b>24,579,150</b>	<b>20,867,055</b>
<b>EXPENSES</b>					
Remuneration of the Management Company	7.1	3,882,754	6,261,860	2,144,238	3,176,284
Sindh sales tax on remuneration of the Management Company	7.2	504,760	814,050	278,749	412,921
Remuneration of the Trustee		685,110	847,728	348,297	427,261
Sindh sales tax on remuneration of the Trustee		89,066	110,199	45,279	55,543
Annual fee to the Securities and Exchange Commission of Pakistan		344,544	469,638	174,517	238,218
Brokerage expense		53,501	59,958	40,299	40,317
Bank charges and settlement charges		65,588	57,788	44,650	38,188
Amortisation of deferred formation cost		166,173	193,290	83,021	96,635
Amortisation of annual fee of Marginal Trading System		126,040	139,496	63,020	61,768
CDS charges		13,718	9,936	13,718	9,936
Auditors' remuneration		171,332	274,500	85,665	137,224
Annual listing fee		13,826	20,881	6,913	8,468
Annual rating fee		170,776	370,397	85,388	156,780
Printing charges		49,710	35,365	32,058	17,710
Allocated expenses	7.4	459,384	626,162	232,682	317,616
Selling and marketing expenses	7.5	1,142,667	-	235,865	-
Provision against Sindh Workers' Welfare Fund (SWWF)	9.1	1,478,882	573,210	863,451	313,458
<b>Total expenses</b>		<b>9,417,831</b>	<b>10,864,458</b>	<b>4,777,810</b>	<b>5,508,327</b>
<b>Net income for the period before taxation</b>		<b>27,664,512</b>	<b>28,087,256</b>	<b>19,801,340</b>	<b>15,358,728</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>27,664,512</b>	<b>28,087,256</b>	<b>19,801,340</b>	<b>15,358,728</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		27,664,512	28,087,256	19,801,340	15,358,728
Income already paid on units redeemed		(7,738,127)	(4,105,411)	(5,614,566)	(5,046,748)
		<u>19,926,385</u>	<u>23,981,845</u>	<u>14,186,774</u>	<u>10,311,980</u>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		19,926,385	23,981,845	14,186,774	10,311,980
		<u>19,926,385</u>	<u>23,981,845</u>	<u>14,186,774</u>	<u>10,311,980</u>

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

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

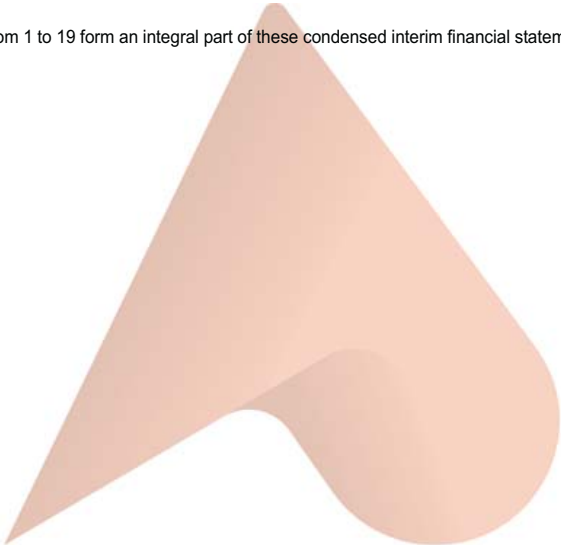
Chief Financial Officer

Director

**ALFALAH GHP SOVEREIGN FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net income for the period after taxation</b>	27,664,512	28,087,256	19,801,340	15,358,728
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>27,664,512</u>	<u>28,087,256</u>	<u>19,801,340</u>	<u>15,358,728</u>

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



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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**



**ALFALAH GHP SOVEREIGN FUND**

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	December 31, 2018			December 31, 2017		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees)			(Rupees)		
<b>Capital Value</b>	749,573,853	-	749,573,853	1,158,202,657	-	1,158,202,657
<b>Undistributed income brought forward</b>						
- Realised gain	-	88,061,335	88,061,335	-	62,939,200	62,939,200
- Unrealised (loss) / gain	-	(116,223)	(116,223)	-	208,778	208,778
<b>Net assets at beginning of the period</b>	749,573,853	87,945,112	837,518,965	1,158,202,657	63,147,978	1,221,350,635
[Rs. 111.0050 (June 30, 2017: Rs. 105.7586) per unit]						
Issuance of 14,209,100 (2017: 6,076,560) units						
- Capital value (at net asset value per unit at the beginning of the period)	1,502,734,523	-	1,502,734,523	642,656,986	-	642,656,986
- Element of income	19,286,690	-	19,286,690	7,787,107	-	7,787,107
Total proceeds on issuance of units	1,522,021,213	-	1,522,021,213	650,444,093	-	650,444,093
Redemption of 13,168,128 (2017: 5,312,190) units						
- Capital value (at net asset value per unit at the beginning of the period)	1,392,642,776	-	1,392,642,776	561,817,214	-	561,817,214
- Element of income	26,533,379	(7,738,127)	18,795,252	2,069,520	4,105,411	6,174,931
Total payments on redemption of units	1,419,176,155	(7,738,127)	1,411,438,028	563,886,734	4,105,411	567,992,145
Total comprehensive income for the period	-	27,664,512	27,664,512	-	28,087,256	28,087,256
Final distribution for the year ended June 30, 2018 @ Rs 5.2464 per unit on July 02, 2018						
- Taxable dividend	-	(24,797,388)	(24,797,388)	-	-	-
- Refund of capital	(14,786,064)	-	(14,786,064)	-	-	-
Net income for the period less distribution	(14,786,064)	2,867,124	(11,918,940)	-	28,087,256	28,087,256
<b>Net assets at end of the period</b>	837,632,847	98,550,363	936,183,210	1,244,760,016	87,129,823	1,331,889,839
[Rs. 109.0379 (December 31, 2017: Rs. 108.1708) per unit]						
<b>Undistributed income carried forward</b>						
- Realised gain		100,709,913			87,873,774	
- Unrealised loss		(2,159,550)			(743,951)	
		<u>98,550,363</u>			<u>87,129,823</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			-	
- Excluding capital gain		19,926,385			23,981,845	
		<u>19,926,385</u>			<u>23,981,845</u>	

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

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP SOVEREIGN FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	Half year ended	
		December 31, 2018	December 31, 2017
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		27,664,512	28,087,256
<b>Adjustments for:</b>			
Amortisation of deferred formation cost		166,173	193,290
Unrealised loss on revaluation of investments - net		2,159,550	743,951
		<u>29,990,235</u>	<u>29,024,497</u>
<b>Decrease / (increase) in assets</b>			
Investments - net		599,431,850	1,011,674,158
Prepayments and profit receivable		1,555,268	(2,604,830)
Receivable against Margin Trading System (MTS)		(66,997,152)	-
		<u>533,989,966</u>	<u>1,009,069,328</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company		1,119,784	(269,434)
Payable to the Trustee		(3,224)	(403)
Annual fee payable to the Securities and Exchange Commission of Pakistan		(587,113)	(1,861,425)
Payable against purchase of investments		161,412,220	922,689,175
Accrued and other liabilities		1,183,535	(7,836,725)
		<u>163,125,202</u>	<u>912,721,188</u>
<b>Net cash flows generated from operating activities</b>		<u>727,105,403</u>	<u>1,950,815,013</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received against issuance of units		1,507,235,149	650,444,093
Amount paid against redemption of units		(1,411,438,028)	(567,992,145)
Dividend paid		(24,797,388)	-
<b>Net cash flows generated from financing activities</b>		<u>70,999,733</u>	<u>82,451,948</u>
<b>Net increase in cash and cash equivalents during the period</b>		<u>798,105,136</u>	<u>2,033,266,961</u>
Cash and cash equivalents at the beginning of the period		754,161,184	180,857,952
<b>Cash and cash equivalents at end of the period</b>	14	<u><u>1,552,266,320</u></u>	<u><u>2,214,124,913</u></u>

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

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP SOVEREIGN FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Alfalah GHP Sovereign Fund (the Fund) was constituted under Trust Deed dated April 21, 2014 between Alfalah GHP Investment Management Limited (AGIML) as Management Company, incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust deed was registered with Sub-Registrar on May 06, 2014.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund was registered by the Securities and Exchange Commission of Pakistan (the SECP) as a Notified Entity under Regulation 44 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/AMCW/IGIFL/261/2012 dated September 11, 2012 and offering document was approved by the SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/DD-ZRK/AFGIML/961/2014 dated April 21, 2014.
- 1.4 The Fund is categorised as an 'income scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2+' (stable outlook) to the Management Company in its rating report dated August 10, 2018 and AA-(f) to the Fund in its rating report dated June 30, 2018.
- 1.6 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan (CDC) as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

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### **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN**

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.
- 3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017 has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

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4. BANK BALANCES	Note	December 31,	June 30,
		2018 (Unaudited)	2018 (Audited)
		----- (Rupees) -----	
In saving accounts	4.1	535,733,572	754,161,184

4.1 These accounts carry profit rates ranging between 7.40% to 11.45% (June 30, 2018: 4% to 7.40%) per annum. These include bank balance of Rs 103.092 million (June 30, 2018: Rs. 32.055 million) which is maintained with Bank Alfalah Limited (a related party).

#### 5. INVESTMENTS - NET

##### 'At fair value through profit or loss'

Market Treasury Bills	5.1	926,532,748	598,441,800
Term finance certificates	5.2	109,278,754	137,035,854
Pakistan Investment Bonds	5.3	24,607,500	-
Term deposit receipts	5.4	90,000,000	-
		<u>1,150,419,002</u>	<u>735,477,654</u>

#### 5.1 Market Treasury Bills

	Face value			As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealized loss	Percentage of total investment on the basis of net assets	Percentage of total investment on the basis of market value
	As at July 01, 2018	Purchased during the period	Sold / matured during the period						
	----- (No. of Certificates) -----			----- (Rupees) -----			----- (%) -----		
Market Treasury Bills - 3 months	600,000,000	13,543,000,000	13,201,900,000	941,100,000	926,556,978	926,532,748	(24,230)	98.97%	80.54%
Total as at June 30, 2018					<u>598,462,200</u>	<u>598,441,800</u>	<u>(20,400)</u>		

#### 5.2 Term finance certificates

Name of the investee company	Secured / unsecured	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised loss	Percentage of total investment on the basis of net assets	Percentage of total investment on the basis of market value
The Bank of Punjab	secured	110,000,000	-	16,018,800	93,981,200	93,981,200	92,407,109	(1,574,091)	9.87	8.03
Habib Bank Limited	secured	27,413,060	-	9,995,480	17,417,580	17,040,374	16,871,645	(168,729)	1.80	1.47
Total as at December 31, 2018						<u>111,021,574</u>	<u>109,278,754</u>	<u>(1,742,820)</u>		
Total as at June 30, 2018						<u>137,131,677</u>	<u>137,035,854</u>	<u>(95,823)</u>		

**5.2.1** Significant terms and conditions of term finance certificates and other securities outstanding at the period end are as follows:

Name of security	Mark-up rate (per annum)	Maturity	Rating
The Bank of Punjab	6 Months KIBOR + 1.25%	April 2028	AA-
Habib Bank Limited	6 Months KIBOR + 0.50%	February 2026	AAA

**5.3** Pakistan Investment Bonds

	Face value			Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised loss	Percentage of total investment on the basis of net assets	Percentage of total investment on the basis of market value	
	As at July 01, 2018	Purchased during the period	Sold / matured during the period						As at December 31, 2018
	(Rupees)						(%)		
Pakistan Investment Bonds - 10 years	-	85,000,000	60,000,000	25,000,000	25,000,000	24,607,500	(392,500)	2.63	2.14
Total as at December 31, 2018					25,000,000	24,607,500	(392,500)		
Total as at June 30, 2018									

**5.4** Term deposit receipts

Name of the investee company	Rate of return per annum	Face value			Carrying value as at December 31, 2018	Maturity	Rating	Percentage of total investment on the basis of net assets	Percentage of total investment on the basis of market value
		As at July 01, 2018	Purchased during the period	Matured during the Period					
		(Rupees)						(%)	
JS Bank Limited	11.15%	-	370,000,000	280,000,000	90,000,000	31-Jan-19	AA-/A1+	9.61	7.82
Total as at December 31, 2018		-	370,000,000	280,000,000	90,000,000				
Total as at June 30, 2018		-	100,000,000	100,000,000	-				

**December 31, 2018**  
**(Un-audited)**  
----- (Rupees) -----

**June 30, 2018**  
**(Audited)**

**5.5** Unrealised loss on revaluation of investments classified as at fair value through profit or loss - net

Market value of investments	1,060,419,002	735,477,654
Less: Carrying value of investments	<u>(1,062,578,552)</u>	<u>(735,593,877)</u>
	<u>(2,159,550)</u>	<u>(116,223)</u>

	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees) -----	
<b>6 PREPAYMENTS AND PROFIT RECEIVABLE</b>		
<b>Profit receivable on</b>		
Bank balances	1,058,611	5,046,789
Margin Trading System	585,333	-
Pakistan Investment Bonds	859,831	-
Term deposit receipt	494,873	-
Term finance certificates	2,515,985	2,310,811
	5,514,633	7,357,600
<b>Deposits</b>		
Margin Trading System	250,000	250,000
Term finance certificate	2,937,357	2,937,357
Central Depository Company of Pakistan Limited	100,000	100,000
	3,287,357	3,287,357
<b>Prepayments</b>		
Annual listing fee	10,692	-
Annual rating fee	92,812	-
Others	30,351	-
	133,855	-
Advance tax	167,230	13,386
	<u>9,103,075</u>	<u>10,658,343</u>

**7 PAYABLE TO THE MANAGEMENT COMPANY**

Management remuneration payable	7.1	788,691	568,796
Sindh sales tax payable on management remuneration	7.2	2,553,707	2,527,992
Federal excise duty payable on management remuneration	7.3	18,099,657	18,099,657
Sales load payable		628,612	628,612
Formation cost payable		5,000	5,000
Allocated expenses	7.4	347,378	615,871
Selling and marketing expenses	7.5	1,400,827	258,160
Other payables		50,000	50,000
		<u>23,873,872</u>	<u>22,754,088</u>

7.1 Management Company shall charge a fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (Which is currently restricted to 1.5% of average Annual Net Assets of the Scheme). Provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.

7.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs.18.099 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Rs. 2.11 per unit (June 30, 2018: Rs 2.39 per unit).

- 7.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 7.5 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

#### 8 PAYABLE AGAINST PURCHASE OF INVESTMENTS

This represents payable against purchase of Market Treasury Bills amounting to Rs 787.71 million. These amounts have been paid subsequent to the period ended December 31, 2018.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees) -----	
<b>9 ACCRUED AND OTHER LIABILITIES</b>			
Withholding tax and capital gain tax payable		303,550	616,083
Annual rating fee payable		87,244	156,746
Auditors' remuneration		180,530	209,798
Brokerage payable		24,441	21,662
Sales load payable		7,830,496	7,888,003
Printing charges payable		75,918	28,247
Annual listing fee		7,064	10,046
Annual MTS charges payable		125,995	-
Provision against Sindh Workers' Welfare Fund	9.1	5,542,658	4,063,776
		<u>14,177,896</u>	<u>12,994,361</u>

- 9.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).



Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.65 per unit (June 30, 2018: Re.0.53 per unit).

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.03% which includes 0.27% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

## 12 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. Since the management company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been in these condensed interim financial statements.

## 13 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

	Half year ended	
	December 31, 2018	December 31, 2017
<b>14 CASH AND CASH EQUIVALENTS</b>	----- (Rupees) -----	
Bank balances	535,733,572	1,291,453,896
Term deposit receipts	90,000,000	-
Market Treasury Bills	926,532,748	922,671,017
	<u>1,552,266,320</u>	<u>2,214,124,913</u>

## 15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

## 15.1 Unit Holders' Fund

Half year ended December 31, 2018 (Un-audited)										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2018
	Units				(Rupees)					
<b>Associated companies / undertakings</b>										
Alfalah GHP Investment Management Limited	4,542	688,600	192	-	693,334	504,185	75,030,430	11,055	-	75,599,683
Alfalah GHP Prosperity Planning Fund	360,719	7,170,423	17,894	5,558,571	1,990,465	40,041,612	764,416,049	1,892,470	592,615,349	217,036,124
<b>Unit holder holding 10% or more units</b>										
Nusrat Bukhari	-	1,490,715	-	1,490,715	-	-	161,059,359	-	159,589,914	-
Gul Ahmed	-	1,862,025	-	-	1,862,025	-	200,000,000	-	-	203,031,296

Half year ended December 31, 2017 (Un-audited)										
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2017
	Units				(Rupees)					
<b>Associated companies / undertakings</b>										
Alfalah GHP Investment Management Limited	377,780	-	-	373,238	4,542	39,953,483	-	-	400,000,000	491,312
Alfalah GHP Prosperity Planning Fund	1,686,959	713,471	-	2,012,199	386,231	178,410,420	76,500,000	-	214,500,000	41,965,258
<b>Unit holder holding 10% or more units</b>										
Abdul Sattar Edhi Foundation	4,329,982	884,564	-	-	5,214,546	457,932,827	93,975,094	-	-	564,061,375

Half year ended	
December 31, 2018	December 31, 2017
(Unaudited)	(Audited)
----- (Rupees) -----	

## 15.2 Other transactions

### Associated companies / undertakings

#### Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	3,882,754	6,261,860
Sindh sales tax on remuneration of the Management Company	504,760	814,050
Sales load	2,214,555	-
Allocated expenses	459,384	626,162
Selling and marketing expenses	1,142,667	-

	Half year ended	
	December 31, 2018	December 31, 2017
	(Unaudited)	(Audited)
	----- (Rupees) -----	
<b>Bank Alfalah Limited</b>		
Profit on bank balances	1,003,811	947,389
Sales load	450,474	1,436,198
Bank charges	12,809	27,695
<b>Alfalah GHP Money Market Fund</b>		
Market Treasury Bills - purchased	1,144,894,898	-
Market Treasury Bills - sold	914,997,550	-
<b>Alfalah GHP Cash Fund</b>		
Market Treasury Bills - purchased	114,379,375	-
<b>Alfalah GHP Income Fund</b>		
Market Treasury Bills - sold	9,888,330	-
<b>Alfalah Capital Preservation Fund - II</b>		
Market Treasury Bills - purchased	196,107,400	-
Pakistan Investment Bonds - sold	49,347,500	-
<b>Alfalah GHP Value Fund</b>		
Market Treasury Bills - purchased	392,822,400	-
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	685,110	847,728
Sindh sales tax on remuneration of the Trustee	89,066	110,199
CDC charges	12,808	8,793
Sindh sales tax on CDC charges	910	1,143
	(Un-audited)	(Audited)
<b>15.3 Other balances</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2018</b>
	----- (Rupees) -----	
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	788,691	568,796
Sindh sales tax payable on management remuneration	2,553,707	2,527,992
Federal excise duty payable on management remuneration	18,099,657	18,099,657
Sales load payable	628,612	628,612
Formation cost payable	5,000	5,000
Allocated expenses	347,378	615,871
Selling and marketing expenses	1,400,827	258,160
Other payables	50,000	50,000

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	----- (Rupees) -----	
<b>Bank Alfalah Limited</b>		
Bank balances	103,092,666	32,055,891
Profit receivable on bank balances	569,889	31,323
Sales load	7,830,496	7,888,003
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	114,681	117,536
Sindh sales tax payable on trustee remuneration	14,907	15,276
Security deposit	100,000	100,000

## 16 FAIR VALUE HIERARCHY

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	December, 2018			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss'</b>				
Market Treasury Bills	-	926,532,748	-	926,532,748
Term finance certificates	-	109,278,754	-	109,278,754
Pakistan Investment Bonds	-	24,607,500	-	24,607,500
	-	90,000,000	-	90,000,000
	-	1,150,419,002	-	1,150,419,002

	June, 2018			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss'</b>				
Market Treasury Bills	-	598,441,800	-	598,441,800
Term finance certificates	-	137,035,854	-	137,035,854
	-	735,477,654	-	735,477,654

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the half year ended December 31, 2018, 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.

## 17 CORRESPONDING FIGURES

Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 18 GENERAL

### 18.1 Figures are rounded off to the nearest Pakistani Rupee.

18.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

## 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Income Fund**

## FUND INFORMATION

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<b>Management Company:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<b>Ms. Maheen Rahman (CEO)</b> <b>Syed Ali Sultan</b> <b>Mr. Hanspeter Beier</b> <b>Mr. Muhammad Tauqir Zafar</b> <b>Mr. Abid Naqvi</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Mr. Adeel Bajwa</b> <b>Ms. Mehreen Ahmed</b>
<b>Audit Committee:</b>	<b>Mr. Abid Naqvi</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b>
<b>HR Committee:</b>	<b>Syed Ali Sultan</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Ms. Maheen Rahman (CEO)</b> <b>Mr. Adeel Bajwa</b>
<b>Risk Committee:</b>	<b>Mr. Tufail Jawed Ahmad</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b> <b>Ms. Maheen Rahman (CEO)</b>
<b>Chief Operating Officer and Company Secretary :</b>	<b>Mr. Noman Ahmed Soomro</b>
<b>Chief Financial Officer:</b>	<b>Syed Hyder Raza Zaidi</b>
<b>Trustee:</b>	<b>Central Depository Company of Pakistan Limited</b> CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	<b>Bank Alfalah Limited</b>
<b>Auditors:</b>	<b>A.F. Ferguson &amp; Co.</b> <b>Chartered Accountants</b> State Life Building No. 1-C.I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	<b>Ahmed &amp; Qazi</b> <b>Advocates &amp; Legal Consultants</b> 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Registrar:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	<b>Bank Alfalah Limited</b>
<b>Rating:</b>	<b>A+(f) by PACRA</b>

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**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP INCOME FUND**

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**Report of the Trustee pursuant to Regulation 41(h) 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019



## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Income Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**AIFALAH GHP INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

		<b>December 31, 2018 (Un-audited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>Assets</b>			
Bank balances	4	204,963,268	426,674,157
Investments - net	5	86,611,336	125,824,350
Security deposits		2,850,000	2,850,000
Prepayments and other receivables		3,572,553	5,374,384
Receivable against Margin Trading System (MTS)		27,281,931	-
<b>Total assets</b>		<u>325,279,088</u>	<u>560,722,891</u>
<b>Liabilities</b>			
Payable to the Management Company	6	12,152,185	11,944,427
Payable to the Trustee		105,666	146,405
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		148,027	542,015
Accrued and other liabilities	7	3,084,648	2,974,707
<b>Total liabilities</b>		<u>15,490,526</u>	<u>15,607,554</u>
<b>Net assets attributable to unit holders</b>		<u>309,788,562</u>	<u>545,115,337</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>309,788,562</u>	<u>545,115,337</u>
<b>Contingencies and commitments</b>	8		
		<b>----- (Number of units) -----</b>	
<b>Number of units in issue</b>		<u>2,690,639</u>	<u>4,645,695</u>
		<b>----- (Rupees) -----</b>	
<b>Net asset value per unit</b>		<u>115.1357</u>	<u>117.3377</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31,		Quarter ended December 31,	
	2018	2017	2018	2017
	----- (Rupees) -----		----- (Rupees) -----	
<b>INCOME</b>				
Income from Government securities	1,458,939	1,774,846	332,266	1,029,972
Income from term finance certificates and sukuk certificates	3,770,550	11,022,333	1,535,844	5,331,221
Income from term deposit receipts	925,336	2,175,572	648,800	1,551,870
Income from margin trading system	440,731	1,563,007	440,731	346,801
Profit on bank balances	10,114,777	14,605,530	4,804,651	6,172,232
Other income	-	100,400	-	100,400
(Loss) / gain on sale of investments - net	(1,492,273)	50,430	(1,484,064)	175,556
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss - net	5.5	(1,650,924)	1,635,165	263,472
<b>Total income</b>	<b>14,383,568</b>	<b>29,641,194</b>	<b>7,913,393</b>	<b>14,971,524</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	6.1	1,696,734	5,728,599	820,222
Sindh sales tax on remuneration of the Management Company	6.2	220,572	744,711	106,625
Allocated expenses	6.4	198,048	458,270	82,469
Selling and marketing expenses	6.5	459,664	-	(2,642)
Remuneration of the Trustee		351,772	772,131	151,248
Sindh sales tax on remuneration of the Trustee		45,743	106,571	19,673
Annual fee to the Securities and Exchange Commission of Pakistan		148,027	337,514	61,340
Brokerage expenses		20,574	68,301	6,158
Settlement and bank charges		2,187	8,892	(4,687)
Auditors' remuneration		139,683	288,842	69,843
Clearing charges		325,467	517,664	148,966
CDS transaction fee		20,025	4,500	20,025
Annual listing fee		13,709	15,871	6,777
Printing charges		33,388	42,965	20,161
Annual rating fee		156,247	143,679	78,123
Provision against Sindh Workers' Welfare Fund (SWWF)		211,034	408,053	126,582
<b>Total expenses</b>		<b>4,042,874</b>	<b>9,646,563</b>	<b>1,710,883</b>
<b>Net income for the period before taxation</b>		<b>10,340,694</b>	<b>19,994,631</b>	<b>6,202,510</b>
Taxation	11	-	-	-
<b>Net income for the period after taxation</b>		<b>10,340,694</b>	<b>19,994,631</b>	<b>6,202,510</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation		10,340,694	19,994,631	6,202,510
Income already paid on units redeemed		(2,926,113)	(11,318,985)	(614,359)
		<b>7,414,581</b>	<b>8,675,646</b>	<b>5,588,151</b>
<b>Accounting income available for distribution</b>				
- Relating to capital gains		-	21,882	-
- Excluding capital gains		7,414,581	8,653,764	5,588,151
		<b>7,414,581</b>	<b>8,675,646</b>	<b>5,588,151</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

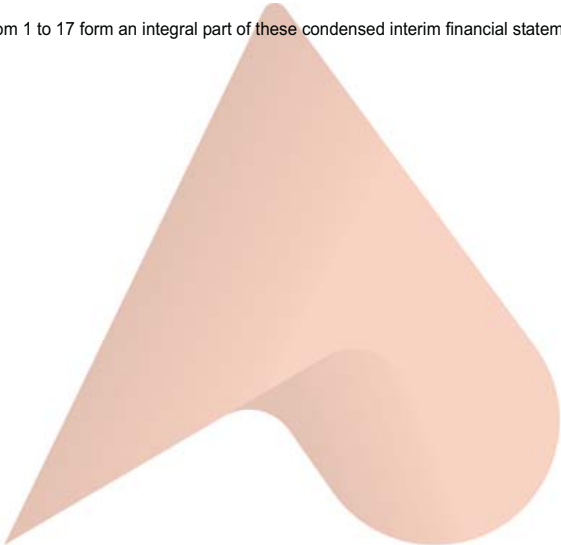
\_\_\_\_\_  
**Director**

**ALFALAH GHP INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

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	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- (Rupees) -----</u>		<u>----- (Rupees) -----</u>	
<b>Net income for the period after taxation</b>	10,340,694	19,994,631	6,202,510	10,365,746
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>10,340,694</u>	<u>19,994,631</u>	<u>6,202,510</u>	<u>10,365,746</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF**  
**MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	(Rupees)			(Rupees)		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Capital value	455,067,454	-	455,067,454	689,865,072	-	689,865,072
Undistributed income brought forward						
- Realised income	-	89,749,607	89,749,607	-	72,524,256	72,524,256
- Unrealised income	-	298,276	298,276	-	419,814	419,814
<b>Net assets at beginning of the period</b> <b>[Rs.117.3377 (June 30, 2017: Rs. 113.4246) per unit]</b>	455,067,454	90,047,883	545,115,337	689,865,072	72,944,070	762,809,142
Issuance of 4,297,140 units (2017: 8,803,592 units)						
- Capital value (at net asset value per unit at the beginning of the period)	481,158,504	-	481,158,504	985,754,506	-	985,754,506
- Element of income	1,679,070	-	1,679,070	6,248,317	-	6,248,317
Total proceeds on issuance of units	482,837,574	-	482,837,574	992,002,823	-	992,002,823
Redemption of 6,252,196 units (2017: 10,853,044 units)						
- Capital value (at net asset value per unit at the beginning of the period)	700,069,696	-	700,069,696	1,215,235,444	-	1,215,235,444
- Element of loss	580,898	2,926,113	3,507,011	3,173,219	11,318,985	14,492,204
Total payments on redemption of units	700,650,594	2,926,113	703,576,707	1,218,408,663	11,318,985	1,229,727,648
Total comprehensive income for the period	-	10,340,694	10,340,694	-	19,994,631	19,994,631
Final distribution for the year ended June 30, 2018 @ Rs 5.3659 per unit on July 02, 2018						
- Taxable dividend	-	(17,103,509)	(17,103,509)	-	-	-
- Refund of capital	(7,824,827)	-	(7,824,827)	-	-	-
Net income for the period less distribution	(7,824,827)	(6,762,815)	(14,587,642)	-	19,994,631	19,994,631
<b>Net assets at end of the period</b> <b>[Rs. 115.1357 (December 31, 2017: Rs. 114.4389) per unit]</b>	229,429,607	80,358,955	309,788,562	463,459,232	81,619,716	545,078,948
<b>Undistributed income carried forward</b>						
- Realised loss		81,193,447			83,270,640	
- Unrealised loss		(834,492)			(1,650,924)	
		80,358,955			81,619,716	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			21,882	
- Excluding capital gain		7,414,581			8,653,764	
		7,414,581			8,675,646	

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31,	
	2018	2017
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	10,340,694	19,994,631
<b>Adjustments for:</b>		
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss - net	834,492	1,650,924
Provision against Sindh Workers' Welfare Fund (SWWF)	211,034	408,053
	11,386,220	22,053,608
<b>Decrease / (increase) in assets</b>		
Investments - net	68,378,522	71,330,911
Prepayments and other receivables	1,801,831	(4,508,753)
Receivable against Margin Trading System (MTS)	(27,281,931)	20,196,338
	42,898,422	87,018,496
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	207,758	(75,565)
Payable to the Trustee	(40,739)	(5,765)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(393,988)	(605,260)
Accrued and other liabilities	(101,093)	(5,832,679)
	(328,062)	(6,519,269)
<b>Net cash flows generated from operating activities</b>	53,956,580	102,552,835
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution paid	(17,103,509)	-
Amount received against issuance of units	475,012,747	992,002,823
Amount paid against redemption of units	(703,576,707)	(1,229,727,648)
<b>Net cash flows used in financing activities</b>	(245,667,469)	(237,724,825)
<b>Net decrease in cash and cash equivalents during the period</b>	(191,710,889)	(135,171,990)
Cash and cash equivalents at beginning of the period	426,674,157	398,739,491
<b>Cash and cash equivalents at end of the period</b>	12 <u>234,963,268</u>	<u>263,567,501</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Alfalah GHP Income Fund is an open-ended Fund constituted under a trust deed entered into on December 18, 2006 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited 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 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 (formerly IGI Income Fund).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as an 'income scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the trust deed, the Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, Government securities, sukuk certificates and term finance certificates, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018 and has maintained the stability rating of the Fund to A+(f) on December 03, 2018.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2 BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.

### 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017 has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.



The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
----- (Rupees) -----			
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	<u>204,963,268</u>	<u>426,674,157</u>
4.1	These accounts carry profit rates ranging between 8.00% to 11.45% (June 30, 2018: 4% to 7.40%) per annum. These include bank balance of Rs 53.49 million (June 30, 2018: Rs. 203.364 million) which is maintained with Bank Alfalah Limited (a related party).		
<b>5 INVESTMENTS - NET</b>			
<b>'At fair value through profit or loss'</b>			
Sukuk certificates	5.1	41,800,194	59,121,520
Term finance certificates	5.2	14,811,142	66,702,830
Market Treasury Bills	5.3	-	-
Term deposit receipts	5.4	30,000,000	-
		<u>86,611,336</u>	<u>125,824,350</u>

#### 5.1 Sukuk certificates

Name of the investee company	Maturity Date	Yield per annum	Face Value (Number of certificates)				Rupees			Percentage	
			As at July 1, 2018	Purchased during the period	Matured / Sold during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised (loss) / gain	Market value as a percentage of Net Assets	Market value as a percentage of issue size
Dubai Islamic Bank Limited	14-Jul-27	6 Months Kibor + 0.50%	5	-	-	5	5,093,520	5,093,520	-	1.64%	0.13%
International Brands Limited	15-Nov-21	12 Months Kibor + 0.50%	400	-	170	230	23,000,000	22,705,922	(294,078)	7.33%	0.80%
Dawood Hercules Corporation Limited	11-Nov-22	3 Months Kibor + 1.00%	140	-	-	140	14,028,000	14,000,752	(27,248)	4.52%	0.27%
<b>Total as at December 31, 2018</b>							<u>42,121,520</u>	<u>41,800,194</u>	<u>(321,326)</u>		
<b>Total as at June 30, 2018</b>							<u>59,000,000</u>	<u>59,121,520</u>	<u>121,520</u>		

## 5.2 Term finance certificates

Name of the investee company	Maturity Date	Yield per annum	Face Value (Number of certificates)				Rupees			Percentage	
			As at July 1, 2018	Purchased during the period	Redeemed / sold during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Net unrealised (loss) / gain on revaluation of investments	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment
The Bank of Punjab	23-Dec-26	6 Months Kibor + 1.00%	450	-	300	150	15,324,308	14,811,142	(513,166)	4.78%	17.10%
Habib Bank Limited	19-Feb-26	6 Months Kibor + 0.50%	210	-	210	-	-	-	-	0.00%	0.00%
<b>Total as at December 31, 2018</b>							<u>15,324,308</u>	<u>14,811,142</u>	<u>(513,166)</u>		
<b>Total as at June 30, 2018</b>							<u>66,526,075</u>	<u>66,702,830</u>	<u>176,755</u>		

## 5.3 Market Treasury Bills

Tenor	Face Value (Number of certificates)				Rupees			Percentage	
	As at July 1, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	unrealised loss on revaluation	Market value as a percentage of Net Assets	Market value as a percentage of Total Investment
Treasury Bills - 3 Months	-	780,000,000	780,000,000	-	-	-	-	0.00%	0.00%
<b>Total as at December 31, 2018</b>					<u>-</u>	<u>-</u>	<u>-</u>		
<b>Total as at June 30, 2018</b>					<u>-</u>	<u>-</u>	<u>-</u>		

## 5.4 Term Deposit Receipts

Particulars	Rate of return per annum	As at July 01, 2018	Purchased during the period	Sold / Matured during the period	As at December 31, 2018	Maturity	Face value as a		Credit rating
							Net assets	Investments	
----- (Rupees) -----									
JS Bank Limited	8.15%	-	50,000,000	50,000,000	-	18-Sep-18	-	-	AA-
JS Bank Limited	8.75%	-	35,000,000	35,000,000	-	10-Oct-18	-	-	AA-
JS Bank Limited	9.22%	-	30,000,000	30,000,000	-	3-Dec-18	-	-	AA-
JS Bank Limited	11.15%	-	30,000,000	-	30,000,000	31-Jan-19	9.68%	34.64%	AA-
<b>As at December 31, 2018</b>		<u>-</u>	<u>145,000,000</u>	<u>115,000,000</u>	<u>30,000,000</u>				
<b>As at June 30, 2018</b>		<u>-</u>	<u>270,000,000</u>	<u>270,000,000</u>	<u>-</u>				

5.5 Unrealised (loss) / gain on revaluation of investments classified as at fair value through profit or loss - net	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees) -----	
Market value of investments	5.1, 5.2, 5.3 and 5.4	86,611,336	125,824,350
Less: carrying value of investments	5.1, 5.2, 5.3 and 5.4	<u>(87,445,828)</u>	<u>(125,526,075)</u>
		<u>(834,492)</u>	<u>298,275</u>

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	6.1	322,010	367,690
Sindh sales tax payable on management remuneration	6.2	1,394,151	1,400,093
Federal excise duty on management remuneration	6.3	9,778,882	9,778,882
Sales load payable		48,584	48,584
Payable against allocated expenses	6.4	72,364	272,648
Selling and marketing expenses	6.5	536,194	76,530
		<u>12,152,185</u>	<u>11,944,427</u>

- 6.1 The Management Company charges fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding maximum rate of remuneration permitted under the Rules and Regulations (which is currently restricted to 1.5% of average annual net assets of the scheme). Provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.
- 6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 4, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 9.778 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Rs 3.63 per unit (June 30, 2018: Re 2.10 per unit).

- 6.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.
- 6.5 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.

	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
----- (Rupees) -----			
<b>7 ACCRUED AND OTHER LIABILITIES</b>			
Provision against Sindh Workers' Welfare Fund (SWWF)	7.1	2,185,596	1,974,562
Annual rating fee payable		258,683	446,260
Withholding tax payable		206,336	178,343
Auditors' remuneration payable		71,395	169,312
Capital gain tax payable		3,071	51,274
Printing charges payable		58,555	35,062
Clearing charges		37,597	30,000
Brokerage and settlement charges		8,893	16,505
Sales load payable		73,389	73,389
Others		181,133	-
		3,084,648	2,974,707

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.81 per unit (June 30, 2018: 0.43 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 9 EARNINGS PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

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## 10 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.033% which includes 0.16% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

## 11 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. Since the management company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been in these condensed interim financial statements.

## 12 CASH AND CASH EQUIVALENTS

	Half year ended December 31,	
	2018	2017
	----- (Rupees) -----	
Bank balances	204,963,268	233,651,053
Term deposit receipts - having original maturity of less than 3 months	30,000,000	29,916,448
	<u>234,963,268</u>	<u>263,567,501</u>

## 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 13.1 Unit Holders' Fund

Half year ended December 31, 2018 (Un-audited)										
As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2018	
Units				(Rupees)						
<b>Associated companies / undertakings</b>										
Alfalsh GHP Investment Management Limited	1,306,668	1,729	59,009	-	1,367,406	146,309,968	195,354	6,807,329	-	157,437,225
Alfalsh GHP Prosperity Planning Fund	1,833,005	3,806,262	87,841	5,358,834	368,274	205,244,869	427,600,000	9,835,724	602,889,563	42,401,479

13.1.1 This reflects the position of related party / connected persons as at December 31, 2018.

Half year ended December 31, 2017 (Un-audited)										
As at July 1, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 1, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2017	
Units				(Rupees)						
<b>Associated Companies / Undertakings</b>										
Alfalsh GHP Investment Management Limited	335,118	1,339,022	-	1,660,777	13,363	37,523,799	150,000,000	-	190,000,000	1,529,247
Alfalsh GHP Prosperity Planning Fund	2,297,887	1,128,251	-	1,646,097	1,780,041	257,298,773	127,500,000	-	186,000,000	203,705,956
<b>Key Management Personnel Employees</b>										
Head of Marketing	522	102	-	609	15	58,449	11,546	-	68,684	1,717

### 13.2 Other transactions

#### Associated Companies / Undertakings

##### Alfalsh GHP Investment Management Limited - Management Company

	2018	2017
	(Rupees)	
Remuneration of the Management Company	1,696,734	5,728,599
Sindh sales tax on remuneration of the Management Company	220,572	744,711
Sales load	198,601	6,041
Allocated expenses	198,048	458,270
Selling and marketing expenses	459,664	-

##### Bank Alfalah Limited

Profit on bank balances	1,569,744	1,180,598
Bank charges	647	3,010

##### Alfalsh GHP Sovereign Fund

Market Treasury Bills - purchased	9,888,330	-
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##### Alfalsh GHP Value Fund

Sukuk - sold	16,784,100	-
Term finance certificate - sold	29,592,234	-

##### Other related parties

##### Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	351,772	772,131
Sindh sales tax on remuneration of the Trustee fee	45,743	106,571
CDS transaction fee	20,025	4,500

13.3 Other balances	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees) -----	
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	322,010	367,690
Sindh sales tax payable on management remuneration	1,394,151	1,400,093
Federal excise duty on management remuneration	9,778,882	9,778,882
Sales load payable	48,584	48,584
Payable against allocated expenses	72,364	272,648
Selling and marketing expenses	536,194	76,530
<b>Bank Alfalah Limited</b>		
Bank balance	53,493,809	203,364,079
Profit receivable on bank balance	65,183	29,568
Sales load payable	73,389	73,389
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	57,863	88,826
Sindh sales tax payable on trustee remuneration	28,565	32,579
CDS transaction fee payable	19,238	25,000
Security deposit	100,000	100,000

## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at 31 December 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	December 31, 2018			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss'</b>				
Sukuk certificates	-	41,800,194	-	41,800,194
Term finance certificates	-	14,811,142	-	14,811,142
Term deposit receipts *	-	-	30,000,000	30,000,000
	-	56,611,336	30,000,000	86,611,336
ASSETS	June 30, 2018			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
<b>Investments 'at fair value through profit or loss'</b>				
Sukuk certificates	-	59,121,520	-	59,121,520
Term finance certificates	-	66,702,830	-	66,702,830
	-	125,824,350	-	125,824,350

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the half year ended December 31, 2018, 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.

## 15 CORRESPONDING FIGURES

Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 16 GENERAL

16.1 Figures are rounded off to the nearest Pakistani Rupee.

16.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



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**Alfalah**  
**GHP Income Multiplier Fund**

## FUND INFORMATION

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Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmad Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP INCOME MULTIPLIER FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Income Multiplier Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP INCOME MULTIPLIER FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

		<b>December 31, 2018 (Un-audited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>-----Rupees-----</b>	
<b>Assets</b>			
Bank balances	4	268,411,782	202,948,181
Investments	5	172,977,566	471,109,035
Security deposits		2,850,000	2,850,000
Mark-up and other receivables		7,159,458	11,508,920
Receivable against Margin Trading System (MTS)		19,370,750	1,131,526
<b>Total assets</b>		<b>470,769,556</b>	<b>689,547,662</b>
<b>Liabilities</b>			
Payable to the Management Company	6	15,979,352	16,379,734
Payable to the Trustee		61,782	74,285
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		185,038	1,187,818
Payable against purchase of investments		-	7,821,675
Accrued and other liabilities	7	7,660,258	8,485,293
<b>Total liabilities</b>		<b>23,886,430</b>	<b>33,948,805</b>
<b>Net assets attributable to unit holders</b>		<b>446,883,126</b>	<b>655,598,857</b>
<b>Unit Holders' Fund (as per statement attached)</b>		<b>446,883,126</b>	<b>655,598,857</b>
<b>Contingencies and commitments</b>	8		
		<b>-----Number of units-----</b>	
<b>Number of units in issue</b>		<b>8,271,934</b>	<b>11,735,937</b>
		<b>----- (Rupees) -----</b>	
<b>Net asset value per unit</b>		<b>54.0240</b>	<b>55.8625</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP INCOME MULTIPLIER FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Note	For the half year ended December 31,		For the quarter ended December 31,	
		2018	2017	2018	2017
		----- (Rupees) -----		----- (Rupees) -----	
<b>INCOME</b>					
Income from Government securities		1,010,275	1,966,372	432,183	1,167,962
Income from term finance certificates and sukuk certificates		13,651,289	24,808,683	5,092,039	12,466,020
Income from term deposits receipts		-	4,515,190	-	3,249,843
Income from margin trading system		696,717	4,063,247	688,181	1,068,096
Profit on bank balances		5,874,466	35,378,042	2,934,837	15,683,098
(Loss) / gain on sale of investments - net		(6,098,245)	124,943	(3,120,255)	(2,484,925)
		15,134,502	70,856,477	6,026,985	31,150,094
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss - net	5.4	(1,679,764)	(3,842,759)	1,122,906	2,695,247
<b>Total income</b>		<b>13,454,738</b>	<b>67,013,718</b>	<b>7,149,891</b>	<b>33,845,341</b>
<b>EXPENSES</b>					
Remuneration of the Management Company	6.1	3,083,963	12,701,454	1,198,310	6,084,940
Sindh sales tax on remuneration of the Management Company	6.2	400,916	1,651,069	155,783	790,928
Allocated expenses	6.4	246,714	1,016,002	95,865	486,705
Selling and marketing expenses	6.5	426,837	-	(176,545)	-
Remuneration of the Trustee		419,048	1,292,135	162,968	627,968
Sindh sales tax on remuneration of the Trustee		54,477	167,980	21,190	81,640
Annual fee to the Securities and Exchange Commission of Pakistan		185,038	762,042	71,900	365,049
Auditors' remuneration		148,005	333,960	77,901	166,980
Brokerage expenses		103,773	85,739	34,910	55,511
Fees and subscription		572,977	507,410	269,284	232,131
Printing charges		24,265	37,750	11,640	18,875
Settlement and bank charges		59,035	799,530	49,066	421,260
Provision against Sindh Workers' Welfare Fund (SWWF)		154,504	953,175	103,461	490,269
<b>Total expenses</b>		<b>5,879,552</b>	<b>20,308,246</b>	<b>2,075,733</b>	<b>9,822,256</b>
<b>Net income for the period before taxation</b>		<b>7,575,186</b>	<b>46,705,472</b>	<b>5,074,158</b>	<b>24,023,085</b>
Taxation	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>7,575,186</b>	<b>46,705,472</b>	<b>5,074,158</b>	<b>24,023,085</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		7,575,186	46,705,472	5,074,158	24,023,085
Income already paid on units redeemed		(1,356,717)	(16,990,946)	(1,351,363)	(13,180,396)
		<b>6,218,469</b>	<b>29,714,526</b>	<b>3,722,795</b>	<b>10,842,689</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	79,490	5,768,285	3,347,716
- Excluding capital gains		6,218,469	29,635,036	(2,045,490)	7,494,973
		<b>6,218,469</b>	<b>29,714,526</b>	<b>3,722,795</b>	<b>10,842,689</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP INCOME MULTIPLIER FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net income for the period after taxation</b>	7,575,186	46,705,472	5,074,158	24,023,085
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>7,575,186</u>	<u>46,705,472</u>	<u>5,074,158</u>	<u>24,023,085</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP INCOME MULTIPLIER FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	(Rupees)			(Rupees)		
	Capital Value	Undistrib-uted income	Total	Capital Value	Undistrib-uted income	Total
- Capital value	494,843,282	-	494,843,282	1,605,244,819	-	1,605,244,819
- Undistributed income brought forward						
- Realised income	-	160,771,216	160,771,216	-	127,662,604	127,662,604
- Unrealised (loss) / income	-	(15,641)	(15,641)	-	6,814,003	6,814,003
<b>Net assets at beginning of the period</b> [Rs. 55.8625 per unit (June 30, 2017: Rs. 53.2500 per unit)]	494,843,282	160,755,575	655,598,857	1,605,244,819	134,476,607	1,739,721,426
Issuance of 16,382,116 (2017: 24,322,643 units)						
- Capital value (at net asset value per unit at the beginning of the period)	872,349,305	-	872,349,305	1,295,181,410	-	1,295,181,410
- Element of income	1,066,479	-	1,066,479	6,854,166	-	6,854,166
Total proceeds on issuance of units	873,415,784	-	873,415,784	1,302,035,576	-	1,302,035,576
Redemption of 19,846,119 (2017: 28,382,356 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,056,807,787	-	1,056,807,787	1,511,361,239	-	1,511,361,239
- Element of loss	883,237	1,356,717	2,239,954	1,334,200	16,990,946	18,325,146
Total payments on redemption of units	1,057,691,024	1,356,717	1,059,047,741	1,512,695,439	16,990,946	1,529,686,385
Total comprehensive income for the period	-	7,575,186	7,575,186	-	46,705,472	46,705,472
Final distribution for the year ended June 30, 2018 @ Rs 2.6124 per unit on July 02, 2018						
- Taxable dividend	-	(26,292,798)	(26,292,798)	-	-	-
- Refund of capital	(4,366,162)	-	(4,366,162)	-	-	-
Net income for the period less distribution	(4,366,162)	(18,717,612)	(23,083,774)	-	46,705,472	46,705,472
<b>Net assets at end of the period</b>	306,201,880	140,681,246	446,883,126	1,394,584,956	164,191,133	1,558,776,089
[Rs. 54.0240 per unit (December 31, 2017: Rs. 54.4815 per unit)]						
<b>Undistributed income carried forward</b>						
- Realised income		142,361,010			168,033,892	
- Unrealised loss		(1,679,764)			(3,842,759)	
		<u>140,681,246</u>			<u>164,191,133</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			79,490	
- Excluding capital gain		6,218,469			29,635,036	
		<u>6,218,469</u>			<u>29,714,526</u>	

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**



**ALFALAH GHP INCOME MULTIPLIER FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	Half year ended	
		December 31, 2018	December 31, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		----- (Rupees) -----	
Net income for the period before taxation		7,575,186	46,705,472
<b>Adjustments for:</b>			
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss - net		1,679,764	3,842,759
Provision against Sindh Workers' Welfare Fund (SWWF)		154,504	953,175
		9,409,454	51,501,406
<b>Decrease / (increase) in assets</b>			
Investments - net		296,451,705	100,421,401
Security deposits		-	-
Mark-up and other receivables		4,349,462	3,689,017
Receivable against Margin Trading System (MTS)		(18,239,224)	(1,318,228)
		282,561,943	102,792,190
<b>(Decrease) / increase in liabilities</b>			
Payable to the Management Company		(400,382)	26,292
Payable to the Trustee		(12,503)	7,393
Annual fee payable to the Securities and Exchange Commission of Pakistan		(1,002,780)	(945,107)
Payable against purchase of investments		(7,821,675)	-
Accrued expenses and other liabilities		(979,539)	(10,103,637)
		(10,216,879)	(11,015,059)
<b>Net cash flows generated from operating activities</b>		281,754,518	143,278,537
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received against issuance of units		869,049,622	1,302,035,576
Amount paid against redemption of units		(1,059,047,741)	(1,529,686,385)
Dividend paid		(26,292,798)	-
<b>Net cash flows used in financing activities</b>		(216,290,917)	(227,650,809)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>		65,463,601	(84,372,272)
Cash and cash equivalents at beginning of the period		202,948,181	969,364,779
<b>Cash and cash equivalents at end of the period</b>	13	268,411,782	884,992,507

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP INCOME MULTIPLIER FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED**  
**INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

Alfalaha GHP Income Multiplier Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on March 8, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), on February 14, 2007. The SECP has approved second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/NBFC-II/AGIMF/573/2010 dated October 13, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Multiplier Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as an 'Aggressive fixed income scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in debt and money market securities. The Fund invests in debt instrument, money market securities and interest bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018 and has maintained the stability rating of the Fund at A+(f) on December 3, 2018.

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

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2.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

**3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN**

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

Since the investments of the Fund in available for sale investments have been fully provided, accordingly there is no impact on the condensed interim statement of assets and liabilities and condensed interim statement of movement in unit holders' fund.

Further, there is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
----- (Rupees) -----			
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	<u>268,411,782</u>	<u>202,948,181</u>
<b>4.1</b> These accounts carry profit rates ranging between 8.00% to 11.45% (June 30, 2018: 4% to 7.40%) per annum. These include a balance of Rs. 69.83 million (June 30, 2018: Rs. 16.88 million) which is maintained with Bank Alfalah Limited (a related party).			
<b>5 INVESTMENTS</b>			
<b>'At fair value through profit or loss'</b>			
Term finance certificates	5.1	81,959,490	252,600,205
Sukuk certificates	5.2	91,018,076	218,508,830
Market Treasury Bills	5.3	-	-
		<u>172,977,566</u>	<u>471,109,035</u>

#### 5.1 Term finance certificates

Name of the investee company	Maturity	Profit Rate	As at July 1, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Impairment as at December 31, 2018	Market value as at December 31, 2018	Unrealised loss	Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of size of issue
Askari Bank Limited	30-Sep-24	6M Kibor + 1.20%	6,900	-	5,032	1,868	9,354,845	-	9,278,459	(76,386)	2.08%	5.36%	0.23%
Jahangir Siddiqui and Company Limited	24-Jun-21	6M Kibor + 1.65%	10,000	-	10,000	-	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	19-Feb-26	6M Kibor + 0.50%	379	-	250	129	12,726,011	-	12,508,284	(217,727)	2.80%	7.23%	0.13%
JS Bank Limited	16-Dec-23	6M Kibor + 1.40%	6,100	-	1,000	5,100	25,667,773	-	25,589,952	(77,821)	5.73%	14.79%	0.85%
The Bank of Punjab	23-Dec-26	6M Kibor + 1.00%	949	-	700	249	25,438,231	-	24,586,495	(851,736)	5.50%	14.21%	0.98%
TPL Corporation Limited	19-Dec-19	3M Kibor + 1.50%	150	-	-	150	10,018,515	-	9,996,300	(22,215)	2.24%	5.78%	0.83%
Trust Investment Bank Limited (note 5.1.1)	July 2013	6M KIBOR + 1.85%	8,000	-	-	8,000	14,994,000	14,994,000	-	-	0.00%	0.00%	0.00%
Agritech Limited (note 5.1.2)	November 2017	6M KIBOR + 1.75%	17,950	-	-	17,950	89,666,353	89,666,353	-	-	0.00%	0.00%	0.00%
Agritech Limited- IV (note 5.1.3)	January 2015	Zero Coupon	4,094	-	-	4,094	20,470,000	20,470,000	-	-	0.00%	0.00%	0.00%
<b>Total as at December 31, 2018</b>							<u>208,335,728</u>	<u>125,130,353</u>	<u>81,959,490</u>	<u>(1,245,885)</u>			
<b>Total as at June 30, 2018</b>							<u>378,255,029</u>	<u>125,130,353</u>	<u>252,600,205</u>	<u>(524,471)</u>			

- 5.1.1 These term finance certificates defaulted on their payment of principal and markup due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on the same has been suspended and mark-up due amounting Rs. 1.437 million has been reversed and full provision has been made in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.
- 5.1.2 In prior years, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from November 29, 2014 to November 29, 2017. Consequently, the security was classified as non-performing by MUFAP on June 14, 2010 and accrual of mark-up on the same date was suspended. Accordingly, the security has been fully provided in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.
- 5.1.3 This represents additional certificates of Agritech Limited received by the Fund through restructuring agreement reached between lenders and Agritech Limited. Under such agreement, outstanding mark-up due on May 29, 2011 and July 13, 2011 against first and second Issue respectively amounting to Rs. 20.470 million was settled in the form of certificates valuing Rs.20.470 million. This investment has been fully provided since these have been received in lieu of suspended overdue mark-up to be recognised to income upon realisation.

## 5.2 Sukuk certificates

Name of the investee company	Maturity	Profit Rate	As at July 1, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised loss	Market value as a percentage of net assets	Market value as a percentage of total investment	Market value as a percentage of size of issue
Dubai Islamic Bank Pakistan Limited	14-Jul-27	6M KIBOR + 0.50%	20	-	-	20	20,374,080	20,374,080	-	4.56%	11.78%	0.51%
Dawood Hercules Corporation Limited	16-Nov-22	3M KIBOR + 1.00%	480	-	110	370	37,074,000	37,001,998	(72,002)	8.28%	21.39%	0.71%
Dawood Hercules Corporation Limited	1-Mar-23	3M KIBOR + 1.00%	600	-	540	60	6,003,875	6,000,006	(3,869)	1.34%	3.47%	0.10%
International Brands Limited	15-Nov-21	12M Kibor + 0.50%	900	-	620	280	28,000,000	27,641,992	(358,008)	6.19%	15.98%	0.98%
<b>Total as at December 31, 2018</b>							<b>91,451,955</b>	<b>91,018,076</b>	<b>(433,879)</b>			
<b>Total as at June 30, 2018</b>							<b>218,000,000</b>	<b>218,508,830</b>	<b>508,830</b>			

## 5.3 Market Treasury Bills

Tenor	As at July 1, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2016	Market value as at December 31, 2018	Unrealised loss	Market value as a percentage of net assets	Market value as a percentage of total
3 months	-	285,000,000	285,000,000	-	-	-	-	0.00%	0.00%
<b>Total as at June 30, 2018</b>					<b>-</b>	<b>-</b>	<b>-</b>		

	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees) -----	
<b>5.4 Unrealised loss on revaluation of investments classified as 'fair value through profit or loss' - net</b>			
Market value of investments	5.1, 5.2 and 5.3	172,977,566	471,109,035
Less: carrying value of investments	5.1, 5.2 and 5.3	<u>(174,657,330)</u>	<u>(471,124,676)</u>
		<u>(1,679,764)</u>	<u>(15,641)</u>
<b>5.5 Particulars of impairment in the value of investments classified as 'at fair value through profit or loss'</b>			
Opening balance		125,130,353	126,687,653
Add: provision for the period / year		-	-
Less: Reversal of provision upon sale		-	(1,557,300)
Closing balance		<u>125,130,353</u>	<u>125,130,353</u>
<b>6 PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management remuneration payable	6.1	402,019	808,365
Sindh sales tax payable on management remuneration	6.2	1,725,258	1,778,082
Federal excise duty payable on management remuneration	6.3	11,439,981	11,439,981
Payable against allocated expenses	6.4	28,555	567,674
Payable against selling and marketing expenses	6.5	639,985	213,148
Sales load payable		<u>1,743,554</u>	<u>1,572,484</u>
		<u>15,979,352</u>	<u>16,379,734</u>

- 6.1** The Management Company has charged remuneration at the rate of 1.25% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2** During the period, Sindh sales tax on management remuneration has been charged at the rate of 13% (June 30, 2018: 13%).
- 6.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 4, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 11.440 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 1.38 per unit (June 30, 2018: Re 0.97 per unit).

- 6.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.5 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2018	2018
			(Un-audited)	(Audited)
			----- Rupees -----	
	Provision against Sindh Workers' Welfare Fund (SWWF)	7.1	4,610,653	4,456,149
	Auditors' remuneration payable		119,836	209,431
	Settlement charges payable		84,374	101,468
	Annual rating fee payable		219,753	359,890
	Brokerage payable		34,920	44,085
	Printing charges payable		24,446	88,000
	Withholding tax payable		48,198	674,321
	Others		2,518,078	2,551,949
			<u>7,660,258</u>	<u>8,485,293</u>

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.56 per unit (June 30, 2018: Re 0.38 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 9 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. Since the management company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been in these condensed interim financial statements.

## 10 EARNINGS PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

## 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.20% which includes 0.18% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as an aggressive fixed income scheme.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 12.1

Unit Holders' Fund	Half year ended December 31, 2018 (Un-audited)									
	As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / Conversion out / transfer out	As at December 31, 2018	As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / Conversion out as at / transfer out	Net asset value Conversion out as at December 31, 2018
	(Units)					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Alfalah GHP Investment Management Limited	117		5	-	122	6,536		261	-	6,591
Alfalah GHP Prosperity Planning Fund										
Conservative allocation plan	1,149,010	3,065,870	56,369	3,590,058	681,191	64,186,581	163,437,196	3,001,653	191,396,049	36,800,663
Moderate allocation plan	3,137,862	7,212,115	153,931	8,576,204	1,927,504	175,277,669	384,467,655	8,196,835	457,221,459	104,131,475
Active allocation plan	1,100,872	5,068,284	54,008	4,291,880	1,931,284	61,497,471	270,183,055	2,875,929	228,812,145	104,335,687
<b>Key Management Personnel Employees</b>										
Chief Financial Officer	10	-	-	-	10	559	-	24	-	540
<b>Unit holder holding 10% or more Units</b>										
Inteloop Limited	1,014,217		42,293	-	1,056,510	54,007,134	-	2,252,108	-	57,076,896



12.1.1 This reflects the position of related party / connected persons status as at December 31, 2018.

	Half year ended December 31, 2017 (Un-audited)									
	As at July 1, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / Conversion out / transfer out	As at December 31, 2017	As at July 1, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / Conversion out as at December 31, 2017	Net asset value
		(Units)					(Rupees)			
<b>Associated Companies / Undertakings</b>										
Alfalah GHP Investment Management Limited	466,142	-	-	466,025	117	24,822,078	-	-	25,000,000	6,374
Alfalah GHP Prosperity Planning Fund										
Conservative allocation plan	1,221,530	794,114	-	592,937	1,422,707	65,046,472	42,500,000	-	32,000,000	77,511,211
Moderate allocation plan	2,362,333	5,388,971	-	2,921,799	4,829,505	125,794,224	288,000,000	-	157,500,000	263,118,677
Active allocation plan	10,805	2,413,008	-	965,766	1,458,047	575,370	129,000,000	-	52,000,000	79,436,588
<b>Key Management Personnel Employees</b>										
Chief Financial Officer	-	10	-	-	10	-	551	-	-	545
<b>Unit holder holding 10% or more Units</b>										
Barrett Hodgson Pakistan (Private) Limited	3,498,589	-	-	-	3,498,589	186,299,844	-	-	-	190,608,377
Millat Tractors Limited	-	3,716,961	-	-	3,716,961	-	200,000,000	-	-	202,505,611

12.2 Other transactions

	Half year ended	
	December 31, 2018	December 31, 2017
	(Rupees)	
<b>Associated Companies / Undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	3,083,963	12,701,454
Sindh sales tax on remuneration of the Management Company	400,916	1,651,069
Allocated expenses	246,714	1,016,002
Selling and marketing expenses	426,837	-
Sales load	395,161	376,927
<b>Bank Alfalah Limited</b>		
Bank charges	13,493	39,988
Profit on bank balances	1,231,155	985,166
Profit on term finance certificate	-	71,923
Sales load	-	140,423
<b>Alfalah GHP Value Fund</b>		
Sukuk certificates - sold	20,733,300	-
Term finance certificates - sold	14,796,117	-
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	419,048	1,292,135
Sindh sales tax on Trustee fee	54,477	167,980
CDS charges	1,312	167,108

12.3 Other balances	December 31 2018 (Un-audited)	June 30 2018 (Audited)
Associated Companies / Undertakings	(Rupees)	
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	402,019	808,365
Sindh sales tax payable on management remuneration	1,725,258	1,778,082
Federal excise duty payable on management remuneration	11,439,981	11,439,981
Payable against allocated expenses	28,555	567,674
Payable against selling and marketing expenses	639,985	213,148
Sales load payable	1,743,554	1,572,484
<b>Bank Alfalah Limited</b>		
Bank balance	69,833,926	16,881,587
Profit receivable on bank balance	1,024,780	34,354
Sales load payable	-	33,875
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	54,674	60,006
Sindh sales tax payable on Trustee remuneration	7,108	14,279
Security deposit	100,000	100,000
<b>Half yearly ended</b>		
	<b>December 31, 2018</b>	<b>December 31, 2017</b>
(Rupees)		
<b>13 CASH AND CASH EQUIVALENTS</b>		
Bank balances	268,411,782	755,076,057
Treasury bills maturing within 3 months	-	29,916,450
Term deposit receipts maturing within 3 months	-	100,000,000
	268,411,782	884,992,507

#### 14 FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

## 14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

	----- December 31, 2018 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>ASSETS</b>				
<b>Investments 'at fair value through profit or loss'</b>				
Term finance certificates	-	81,959,490	-	81,959,490
Sukuk certificates	-	91,018,076	-	91,018,076
	<u>-</u>	<u>172,977,566</u>	<u>-</u>	<u>172,977,566</u>
	----- June 30, 2018 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			

During the half year ended December 31, 2018, 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.

## 15 CORRESPONDING FIGURES

Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 16 GENERAL

16.1 Figures are rounded off to the nearest Pakistani Rupee.

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**16.2** Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

**17 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

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**Alfalah**  
**GHP Islamic Income Fund**

## FUND INFORMATION

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Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A. F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Shariah Advisor:	BankIslami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

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**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP ISLAMIC INCOME FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Islamic Income Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi



**ALFALAH GHP ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

		<b>December 31, 2018 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>Assets</b>			
Bank balances	4	2,798,993,029	2,486,991,747
Investments - net	5	1,749,630,476	1,915,906,160
Profit receivable		61,835,140	58,785,218
Deposit, prepayment and other receivable		1,841,917	1,741,837
<b>Total assets</b>		<b>4,612,300,562</b>	<b>4,463,424,962</b>
<b>Liabilities</b>			
Payable to the Management Company	6	14,613,425	9,822,068
Payable to the Trustee		516,680	529,558
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		1,744,350	4,517,041
Accrued and other liabilities	7	15,174,010	8,677,994
Payable against redemption of units		-	3,913,726
<b>Total liabilities</b>		<b>32,048,465</b>	<b>27,460,387</b>
<b>Net assets attributable to unit holders</b>		<b>4,580,252,097</b>	<b>4,435,964,575</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>4,580,252,097</b>	<b>4,435,964,575</b>
<b>Contingencies and commitments</b>			
	8		
		<b>----- Number of units -----</b>	
<b>Number of units in issue</b>		<b>43,956,954</b>	<b>42,044,438</b>
		<b>----- Rupees -----</b>	
<b>Net asset value per unit</b>		<b>104.1986</b>	<b>105.5066</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	For the half year ended		For the quarter ended	
	December 31,		December 31,	
	2018	2017	2018	2017
<b>INCOME</b>	Note -----Rupees-----			
Profit on bank balances	120,022,850	122,726,492	71,230,565	43,157,207
Income from investments	67,310,344	59,807,698	34,927,353	59,807,698
Loss on sale of investments - net	(2,199,723)	(5,704,430)	(1,429,724)	(3,444,520)
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss - net	5.3	(9,859,343)	324,754	(11,588,517)
<b>Total income</b>	<b>175,274,128</b>	<b>177,154,514</b>	<b>93,139,677</b>	<b>105,163,031</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	6.1	22,060,987	31,078,209	10,792,081
Sindh sales tax on remuneration of the Management Company	6.2	2,867,928	4,040,170	1,402,973
Allocated expenses	6.4	2,325,759	3,107,721	1,198,905
Selling and marketing expenses	6.5	5,643,457	-	1,136,050
Remuneration of the Trustee		2,404,884	2,976,797	1,232,777
Sindh sales tax on remuneration of the Trustee		312,633	386,988	160,258
Annual fee to the Securities and Exchange Commission of Pakistan		1,744,375	2,330,864	899,207
Settlement and bank charges		37,324	46,905	7,827
Auditors' remuneration		151,088	235,888	75,072
Other expenses		241,863	119,127	127,886
Shariah advisory fee		211,750	211,779	105,877
Provision against Sindh Workers' Welfare Fund (SWWF)		2,745,442	2,652,402	1,520,016
		40,747,490	47,186,850	18,658,929
<b>Net income for the period before taxation</b>		<b>134,526,638</b>	<b>129,967,664</b>	<b>74,480,748</b>
Taxation	10	-	-	-
<b>Net income for the period after taxation</b>		<b>134,526,638</b>	<b>129,967,664</b>	<b>74,480,748</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation		134,526,638	129,967,664	74,480,748
Income already paid on units redeemed		(31,539,502)	(12,046,015)	(33,938,817)
		<b>102,987,136</b>	<b>117,921,649</b>	<b>40,541,931</b>
<b>Accounting income available for distribution</b>				
- Relating to capital gains		-	294,804	-
- Excluding capital gains		102,987,136	117,626,845	40,541,931
		<b>102,987,136</b>	<b>117,921,649</b>	<b>69,925,586</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	For the half year ended		For the quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Rupees-----			
<b>Net income for the period after taxation</b>	134,526,638	129,967,664	74,480,748	79,735,485
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>134,526,638</u>	<u>129,967,664</u>	<u>74,480,748</u>	<u>79,735,485</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	-(Rupees)-			-(Rupees)-		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
- Capital value	4,281,606,495	-	4,281,606,495	2,741,487,019	-	2,741,487,019
- Undistributed income brought forward						
- Realised income	-	162,054,806	162,054,806	-	8,666,167	8,666,167
- Unrealised (loss) / income	-	(7,696,726)	(7,696,726)	-	25,012,483	25,012,483
<b>Net assets at beginning of the period</b>	<b>4,281,606,495</b>	<b>154,358,080</b>	<b>4,435,964,575</b>	<b>2,741,487,019</b>	<b>33,668,650</b>	<b>2,775,155,669</b>
[Rs. 105.5066 (June 30, 2017: Rs. 101.2353) per unit]						
Issuance of 29,841,938 (2017: 60,744,012) units						
- Capital value (at net asset value per unit at the beginning of the period)	3,021,057,546	-	3,021,057,546	6,149,438,278	-	6,149,438,278
- Element of income / (loss)	34,745,861	-	34,745,861	29,705,192	-	29,705,192
Total proceeds on issuance of units	3,055,803,407	-	3,055,803,407	6,179,143,470	-	6,179,143,470
Redemption of 27,929,422 (2017: 18,162,551) units						
- Capital value (at net asset value per unit at the beginning of the period)	2,827,443,515	-	2,827,443,515	1,838,691,299	-	1,838,691,299
- Element of loss / (income)	7,475,102	31,539,502	39,014,604	3,154,806	12,046,015	15,200,821
Total payments on redemption of units	2,834,918,617	31,539,502	2,866,458,119	1,841,846,105	12,046,015	1,853,892,120
Total comprehensive income for the period	-	134,526,638	134,526,638	-	129,967,664	129,967,664
Final distribution for the year ended June 30, 2018 @ Rs. 4.2713 per unit on July 02, 2018						
- Taxable dividend	-	(119,902,726)	(119,902,726)	-	-	-
- Refund of capital	(59,681,678)	-	(59,681,678)	-	-	-
Net income for the period less distribution	(59,681,678)	14,623,912	(45,057,766)	-	129,967,664	129,967,664
<b>Net assets at end of the period</b>	<b>4,442,809,607</b>	<b>137,442,490</b>	<b>4,580,252,097</b>	<b>7,078,784,384</b>	<b>151,590,299</b>	<b>7,230,374,683</b>
[Rs. 104.1986 (December 31, 2017 : Rs. 103.2993) per unit]						
<b>Undistributed income carried forward</b>						
- Realised income		147,301,833			151,265,545	
- Unrealised (loss) / income		(9,859,343)			324,754	
		<u>137,442,490</u>			<u>151,590,299</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			294,804	
- Excluding capital gain		102,987,136			117,626,845	
		<u>102,987,136</u>			<u>117,921,649</u>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	Half year ended	
		December 31,	
		2018	2017
		----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		134,526,638	129,967,664
<b>Adjustments for:</b>			
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss - net		9,859,343	(324,754)
		<u>144,385,981</u>	<u>129,642,910</u>
<b>Decrease / (increase) in assets</b>			
Investments - net		156,416,341	(903,497,035)
Deposit, prepayment and other receivable		(100,080)	(1,182,128)
Profit receivable		(3,049,922)	(30,263,119)
Receivable from sale of investments		-	(3,585,794)
		<u>153,266,339</u>	<u>(938,528,076)</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company		4,791,357	4,584,661
Payable to the Trustee		(12,878)	273,526
Annual fee payable to the Securities and Exchange Commission of Pakistan		(2,772,691)	(410,383)
Accrued and other liabilities		6,496,016	(1,446,544)
		<u>8,501,804</u>	<u>3,001,260</u>
<b>Net cash flows generated from / (used in) operating activities</b>		<u>306,154,124</u>	<u>(805,883,906)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received against issuance of units		2,996,121,729	6,179,143,470
Amount paid against redemption of units		(2,870,371,845)	(1,854,206,092)
Dividend paid		(119,902,726)	-
<b>Net cash flows generated from financing activities</b>		<u>5,847,158</u>	<u>4,324,937,378</u>
<b>Net increase in cash and cash equivalents during the period</b>		<u>312,001,282</u>	<u>3,519,053,472</u>
Cash and cash equivalents at beginning of the period		2,486,991,747	1,261,147,109
<b>Cash and cash equivalents at end of the period</b>	4	<u><u>2,798,993,029</u></u>	<u><u>4,780,200,581</u></u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED**  
**INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Islamic Income Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 3, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan (the SECP) sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved third Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/AMCW/AGIIF/240/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Income Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Shariah Compliant Islamic Income Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to other Islamic mutual funds. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018.

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.

### 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements of IFRS 9 relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The Funds investment in term deposit receipt, which was previously classified as "loans and receivables" and carried at amortised cost under IAS 39 would now be classified as 'at fair value through profit or loss' and carried at fair value under level 3.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period.

The effect of this change in accounting policy is as follows:

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018 (restated)	As at December 31, 2018
-----Rupees in '000-----				
<b>Impact on Statement of Assets and Liabilities</b>				
Investments - 'Loans and receivables'	395,000,000	(395,000,000)	-	-
Investments - 'At fair value through profit or loss'	-	395,000,000	395,000,000	-

Further there is no impact on the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

		<b>December 31, 2018 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>-----Rupees-----</b>	
<b>4 BANK BALANCES</b>			
Savings accounts	4.1	<u>2,798,993,029</u>	<u>2,486,991,747</u>
4.1 The rate of return on these accounts ranges between 7.35% to 10.25% (June 30, 2018: 4% to 7.35%) per annum. These include bank balance of Rs. 1.797 million (June 30, 2018: Rs. 7.531 million) maintained with Bank Alfalah Limited (a related party).			
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Sukuk certificates	5.1	1,299,630,476	1,520,906,160
Term deposit receipt	5.2	<u>450,000,000</u>	<u>395,000,000</u>
		<u>1,749,630,476</u>	<u>1,915,906,160</u>

#### 5.1 Sukuk Certificates

Name of the investee company	Maturity	Coupon rate	Face Value (Rupees)				Number of Certificates	Carrying Value as at December 31, 2018	Market Value as at December 31, 2018	Unrealised gain / (loss)	Investment as a percentage of net assets	Investment as a percentage of total issue size
			As at July 1, 2018	Purchased during the period	Redemptions during the period	As at December 31, 2018						
Haseco Petroleum Limited	January 7, 2022	3 Month Kibor + 1.50%	140,625,000	-	72,004,500	68,620,500	21,114	70,360,579	70,027,220	(333,359)	1.53%	3.50%
K-Electric Limited	June 17, 2022	3 Month Kibor + 1.00%	18,016,000	-	18,016,000	-	-	-	-	-	0.00%	0.00%
Meezan Bank Limited	September 22, 2026	6 Month Kibor + 0.5%	320,000,000	-	7,000,000	313,000,000	313	317,695,000	313,031,613	(4,663,387)	6.83%	4.47%



Name of the investee company	Maturity	Coupon rate	Face Value (Rupees)			Number of Certificates	Carrying Value as at December 31, 2018	Market Value as at December 31, 2018	Unrealised gain / (loss)	Investment as a percentage of net assets	Investment as a percentage of total issue size	
			As at July 1, 2018	Purchased during the period	Redemptions during the period							As at December 31, 2018
Fatima Fertilizer Limited	November 28, 2021	6 Month Kibor + 1.1%	86,975,000	-	46,475,000	40,500,000	13,500	41,148,000	40,851,743	(296,257)	0.89%	0.39%
International Brands Limited	November 15, 2021	12 Month Kibor+0.50%	385,000,000	-	65,000,000	320,000,000	3,200	320,000,000	315,908,480	(4,091,520)	6.90%	11.16%
Dawood Hercules Corporation Limited	November 16, 2022	3 Month Kibor+100%	244,000,000	-	-	244,000,000	2,440	244,488,000	244,013,160	(474,820)	5.33%	4.69%
Dubai Islamic Bank Pakistan Limited	July 14, 2027	6 Month Kibor + 0.50%	310,000,000	-	-	310,000,000	310	315,798,240	315,798,240	-	6.89%	7.89%
<b>Total as at December 31, 2018</b>								<u>1,309,489,819</u>	<u>1,299,630,476</u>	<u>(9,859,343)</u>	<u>28.37%</u>	
<b>Total as on June 30, 2018</b>								<u>1,528,602,886</u>	<u>1,520,906,160</u>	<u>(7,696,726)</u>	<u>34.28%</u>	

- 5.2 This represents term deposit receipt placed with Bank Islami Pakistan Limited. This carries profit at the rate of 10.40% (June 30, 2018: 6.70%) per annum and will mature on January 10, 2019.

	<b>December 31, 2018</b>	<b>June 30, 2018</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	Note	-----Rupees -----
<b>5.3 Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'</b>		
Market value of investments	1,749,630,476	1,915,906,160
Less: Carrying value of investments	<u>(1,759,489,819)</u>	<u>(1,923,602,886)</u>
	<u>(9,859,343)</u>	<u>(7,696,726)</u>

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	6.1	3,935,993	4,114,105
Sindh sales tax payable on management remuneration	6.2	677,549	650,616
Federal excise duty payable on management remuneration	6.3	779,745	779,745
Payable against allocated expenses	6.4	2,213,759	2,914,813
Payable against selling and marketing expenses	6.5	7,001,561	1,358,104
Sales load payable		4,685	4,685
		<u>14,613,425</u>	<u>6,463,833</u>

- 6.1 The Management Company has charged remuneration at the rate of 1% of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13% (June 30, 2018: 13%).
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 4, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.78 million (June 30, 2018: Rs 0.78 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2018 would have been higher by Re. 0.02 (June 30, 2018: Re 0.02) per unit.

- 6.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.5 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

7	ACCRUED AND OTHER LIABILITIES	Note	December 31,	June 30,
			2018 (Unaudited)	2018 (Audited)
			Rupees	
	Provision against Sindh Workers' Welfare Fund (SWWF)	7.1	9,659,660	6,914,218
	Auditors' remuneration payable		222,796	344,408
	Printing charges payable		84,005	57,289
	Brokerage payable		120,319	67,279
	Withholding tax payable		3,306,633	443,524
	Shariah advisory fee payable		477,856	266,106
	Sales load payable		1,049,432	252,526
	Annual rating fee payable		248,330	331,012
	Others		4,979	1,632
			<u>15,174,010</u>	<u>8,677,994</u>

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

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Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to December 31, 2018, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.22 per unit (June 30, 2018: Re 0.16 per unit).

## **8 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## **9 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 0.88% which includes 0.16% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as Shariah Compliant (Islamic) Scheme.

## **10 TAXATION**

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. Since the management company intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly no provision for taxation has been in these condensed interim financial statements.

## **11 EARNINGS PER UNIT**

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## **12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

## 12.1 Unit Holders' Fund

Half year ended December 31, 2018 (Unaudited)									
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	NAV as at December 31, 2018
----- (Units) -----					----- (Rupees) -----				

### Associated Companies / Undertakings

Alfalah GHP Investment Management Limited	53,983	-	1,930	-	55,913	5,464,948	-	195,993	-	5,826,056
Alfalah GHP Islamic Prosperity Planning Fund	27,453,697	8,949,757	1,158,321	15,609,852	21,951,923	2,779,283,292	914,000,000	117,262,977	1,601,600,000	2,287,359,644

12.1.1 This reflects the position of related party / connected persons status as at December 31, 2018.

Half year ended December 31, 2017 (Unaudited)									
As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	NAV as at December 31, 2017
----- (Units) -----					----- (Rupees) -----				

### Associated Companies / Undertakings

Alfalah GHP Investment Management Limited	1,536,275	27	-	1,482,319	53,983	155,510,332	2,725	-	150,000,000	5,576,368
Alfalah GHP Islamic Prosperity Planning Fund	18,850,161	35,003,987	-	9,768,485	44,085,663	1,908,301,653	3,553,000,000	-	999,500,000	4,554,053,137
<b>Key Executives</b>										
Head of Human Resource	2,474	-	-	484	1,990	250,426	-	-	50,000	205,507
Head of Marketing	3,338	2	-	2,845	495	337,888	172	-	290,000	51,036

## 12.2 Other transactions

Half year ended (Unaudited)	
December 31, 2018	December 31, 2017
----- (Rupees) -----	

### Associated Companies and undertakings

#### Alfalah GHP Investment Management Limited

Remuneration of the Management Company	22,060,987	31,078,209
Sindh sales tax on remuneration of the management company	2,867,928	4,040,170
Sales load	114,693	63,529
Allocated expenses	2,325,759	3,107,721
Selling and marketing expenses	5,643,457	-

#### Bank Alfalah Limited

Profit on bank balances	214,048	43,308
Sales load	867,039	41,367

#### Other related parties

#### Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	2,404,884	2,976,797
Sindh sales tax on remuneration of the Trustee	312,633	386,988
Settlement charges	12,766	17,094

12.3 Other balances	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
Connected persons	-----Rupees-----	
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	3,935,993	4,114,105
Sindh sales tax payable on management remuneration	677,549	650,616
Federal excise duty payable on management remuneration	779,745	779,745
Payable against allocated expenses	2,213,759	2,914,813
Payable against selling and marketing expenses	7,001,561	1,358,104
Sales load payable	4,685	4,685
<b>Bank Alfalah Limited</b>		
Bank balances	1,797,307	7,531,455
Sales load payable	1,049,432	252,526
Profit receivable	37,939	9,145
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	458,983	470,379
Sindh sales tax payable on trustee remuneration	57,697	59,179
Security deposit	100,000	100,000

### 13 FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### 13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at 31 December 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	December 31, 2018			
	Level 1	Level 2	Level 3	Total
<b>Investments 'at fair value through profit or loss'</b>	<b>Rupees in '000</b>			
Sukuk certificates	-	1,299,630,476	-	1,299,630,476
Term deposit receipt *	-	-	450,000,000	450,000,000
	<u>-</u>	<u>1,299,630,476</u>	<u>450,000,000</u>	<u>1,749,630,476</u>
	<b>June 30, 2018</b>			
ASSETS	Level 1	Level 2	Level 3	Total
<b>Investments 'at fair value through profit or loss'</b>	<b>Rupees in '000</b>			
Sukuk certificates	-	1,520,906,160	-	1,520,906,160
Term deposit receipt *	-	-	395,000,000	395,000,000
	<u>-</u>	<u>1,520,906,160</u>	<u>395,000,000</u>	<u>1,915,906,160</u>

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the half year ended December 31, 2018, 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.

#### 14 CORRESPONDING FIGURES

Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

#### 15 GENERAL

15.1 Figures are rounded off to the nearest Pakistani Rupee.

15.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

#### 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Alpha Fund**

## FUND INFORMATION

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**Board of Directors of the  
Management Company:**

Ms. Maheen Rahman (CEO)  
Syed Ali Sultan  
Mr. Hanspeter Beier  
Mr. Muhammad Tauqir Zafar  
Mr. Abid Naqvi  
Mr. Tufail Jawed Ahmad  
Mr. Adeel Bajwa  
Ms. Mehreen Ahmed

**Audit Committee:**

Mr. Abid Naqvi  
Syed Ali Sultan  
Mr. Muhammad Tauqeer Zafar

**HR Committee:**

Syed Ali Sultan  
Mr. Tufail Jawed Ahmad  
Ms. Maheen Rahman (CEO)  
Mr. Adeel Bajwa

**Risk Committee:**

Mr. Tufail Jawed Ahmad  
Syed Ali Sultan  
Mr. Muhammad Tauqeer Zafar  
Ms. Maheen Rahman (CEO)

**Chief Operating Officer  
and Company Secretary :**

Mr. Noman Ahmed Soomro

**Chief Financial Officer:**

Syed Hyder Raza Zaidi

**Trustee:**

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block 'B', SMCHS,  
Main Share-e-Faisal, Karachi

**Bankers to the Fund:**

Bank Alfalah Limited

**Auditors:**

A.F. Ferguson & Co.  
Chartered Accountants  
State Life Building No. 1-C I.I. Chundrigar Road,  
P.O.Box 4716 Karachi,  
Pakistan

**Legal Advisor:**

Ahmed & Qazi  
Advocates & Legal Consultants  
402,403,404,417  
Clifton Centre,  
Clifton, Karachi

**Registrar:**

Alfalah GHP Investment Management Limited  
8-B, 8th Floor, Executive Tower, Dolmen City, Block-4,  
Clifton, Karachi.

**Distributor:**

Bank Alfalah Limited



**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP ALPHA FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Alpha Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP ALPHA FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

		<b>December 31, 2018 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees) -----</b>	
<b>Assets</b>			
Bank balances	4	108,572,481	126,036,188
Investments	5	1,294,755,995	1,790,863,413
Dividend and mark-up receivable		1,535,714	4,012,051
Advance and deposits		2,768,930	2,752,734
Receivable against sale of investments		16,388,569	-
<b>Total assets</b>		<b>1,424,021,689</b>	<b>1,923,664,386</b>
<b>Liabilities</b>			
Payable to the Management Company	6	15,874,005	15,627,859
Payable to the Trustee		226,443	262,384
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		802,873	1,721,915
Payable against purchase of investments		-	807,627
Accrued and other liabilities	7	13,659,741	13,397,316
<b>Total liabilities</b>		<b>30,563,062</b>	<b>31,817,101</b>
<b>Net assets attributable to unit holders</b>		<b>1,393,458,627</b>	<b>1,891,847,285</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,393,458,627</b>	<b>1,891,847,285</b>
<b>Contingencies and commitments</b>			
		<b>----- Number of units -----</b>	
<b>Number of units in issue</b>		<b>23,605,300</b>	<b>26,088,124</b>
		<b>----- Rupees -----</b>	
<b>Net asset value per unit</b>		<b>59.03</b>	<b>72.52</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ALPHA FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

Note	For the half year ended December 31, 2018	For the half year ended December 31, 2017	For the quarter ended December 31, 2018	For the quarter ended December 31, 2017
----- (Rupees) -----				
<b>INCOME</b>				
Profit on bank balances	6,437,399	6,059,868	4,041,790	3,165,860
Dividend income	42,961,975	42,124,477	23,010,423	27,036,663
Income from Market Treasury Bills	1,000,859	-	1,000,859	-
Loss on sale of investments - net	(72,881,368)	(173,252,251)	(70,197,872)	(105,954,429)
Unrealised (loss) / gain on revaluation of investments - net	5.3 (177,497,788)	(153,279,644)	(140,527,237)	14,828,751
<b>Total income</b>	<b>(199,978,923)</b>	<b>(278,347,550)</b>	<b>(182,672,037)</b>	<b>(60,923,155)</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	6.1 14,789,862	15,405,291	6,689,527	7,236,088
Performance fee of the Management Company	6.2 540,470	526,219	227,406	259,842
Sindh sales tax on remuneration of the Management Company	6.3 1,922,887	2,002,688	869,642	940,689
Sindh sales tax on performance fee of the Management Company	6.3 70,260	68,408	29,561	33,778
Allocated expenses	6.5 845,084	880,256	382,235	413,469
Selling and marketing expenses	6.6 3,380,348	5,621,391	1,528,947	3,754,250
Remuneration of the Trustee	1,349,246	1,384,417	634,312	665,549
Sindh sales tax on remuneration of the Trustee	175,404	179,978	82,462	86,525
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	802,873	827,604	363,143	384,134
Brokerage expense, federal excise duty and capital value tax	3,211,842	2,305,917	1,612,548	738,695
Bank and settlement charges	540,113	427,236	278,816	277,573
Auditors' remuneration	380,880	464,232	190,440	232,116
Printing charges	35,306	33,009	17,656	15,353
Fee and subscriptions	108,693	113,690	54,354	54,348
<b>Total expenses</b>	<b>28,153,068</b>	<b>30,240,336</b>	<b>12,961,049</b>	<b>15,092,409</b>
<b>Net loss for the period before taxation</b>	<b>(228,131,991)</b>	<b>(308,587,886)</b>	<b>(195,633,086)</b>	<b>(76,015,564)</b>
Taxation	10 -	-	-	-
<b>Net loss for the period after taxation</b>	<b>(228,131,991)</b>	<b>(308,587,886)</b>	<b>(195,633,086)</b>	<b>(76,015,564)</b>
<b>Allocation of net income for the period</b>				
Net loss for the period after taxation	(228,131,991)	(308,587,886)	(195,633,086)	(76,015,564)
Income already paid on units redeemed	-	-	-	-
	<b>(228,131,991)</b>	<b>(308,587,886)</b>	<b>(195,633,086)</b>	<b>(76,015,564)</b>
<b>Accounting income available for distribution</b>				
- Relating to capital gain	-	-	-	-
- Excluding capital gain	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

ALFALAH GHP ALPHA FUND

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	For the half year ended December 31, 2018	For the half year ended December 31, 2017	For the quarter ended December 31, 2018	For the quarter ended December 31, 2017
	----- (Rupees) -----			
<b>Net loss for the period after taxation</b>	(228,131,991)	(308,587,886)	(195,633,086)	(76,015,564)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(228,131,991)</u>	<u>(308,587,886)</u>	<u>(195,633,086)</u>	<u>(76,015,564)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ALPHA FUND**

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	(Rupees)			(Rupees)		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
Capital value	1,692,206,802	-	1,692,206,802	997,160,999	-	997,160,999
Undistributed income brought forward						
- Realised income	-	288,510,689	288,510,689	-	378,815,227	378,815,227
- Unrealised (loss) / income	-	(88,870,206)	(88,870,206)	-	117,211,191	117,211,191
<b>Net assets at beginning of the period</b> <b>[Rs.72.52 (June 30, 2017: Rs 84.50) per unit]</b>	<b>1,692,206,802</b>	<b>199,640,483</b>	<b>1,891,847,285</b>	<b>997,160,999</b>	<b>496,026,418</b>	<b>1,493,187,417</b>
Issuance of 16,825,034 units (2017: 7,340,290 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,129,982,724	-	1,129,982,724	620,244,747	-	620,244,747
- Element of loss	(14,986,017)	-	(14,986,017)	(17,410,877)	-	(17,410,877)
Total proceeds on issuance of units	1,114,996,707	-	1,114,996,707	602,833,870	-	602,833,870
Redemption of 19,307,858 units (2017: 2,260,599 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,296,731,208	-	1,296,731,208	191,017,610	-	191,017,610
- Element of income	(51,310,181)	-	(51,310,181)	(21,667,924)	-	(21,667,924)
Total payments on redemption of units	1,245,421,027	-	1,245,421,027	169,349,686	-	169,349,686
Total comprehensive loss for the period	-	(228,131,991)	(228,131,991)	-	(308,587,886)	(308,587,886)
Bonus distribution for the year ended June 30, 2018 @ Rs 5.3568 per unit on July 02, 2018	-	(139,832,347)	(139,832,347)	-	-	-
Net loss for the period less distribution	-	(367,964,338)	(367,964,338)	-	(308,587,886)	(308,587,886)
<b>Net assets at end of the period</b> <b>[Rs.59.03 (December 31, 2017: Rs 71.12) per unit]</b>	<b>1,561,782,482</b>	<b>(168,323,855)</b>	<b>1,393,458,627</b>	<b>1,430,645,183</b>	<b>187,438,532</b>	<b>1,618,083,715</b>
<b>Undistributed income carried forward</b>						
- Realised income		9,173,933			340,718,176	
- Unrealised loss		(177,497,788)			(153,279,644)	
		<u>(168,323,855)</u>			<u>187,438,532</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		<u>-</u>			<u>-</u>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

**ALFALAH GHP ALPHA FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	For the half year ended December 31, 2018	For the half year ended December 31, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>(Rupees)</b>
Net loss for the period before taxation	(228,131,991)	(308,587,886)
<b>Adjustments for:</b>		
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	177,497,788 (50,634,203)	153,279,644 (155,308,242)
<b>(Decrease) / increase in assets</b>		
Investments - net	318,609,630	(86,883,411)
Advance and deposits	(16,196)	(52,734)
Dividend and mark-up receivable	2,476,337	(2,477,026)
Receivable against sale of investments	(16,388,569)	(12,723,232)
	304,681,202	(102,136,403)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	246,146	2,395,127
Payable to the Trustee	(35,941)	(17,717)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(919,042)	(756,728)
Payable against purchase of investments	(807,627)	-
Accrued and other liabilities	262,425 (1,254,039)	(1,997,113) (376,431)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>252,792,960</b>	<b>(257,821,076)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received against issuance of units	975,164,360	602,833,870
Amount paid against redemption of units	(1,245,421,027)	(169,349,686)
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(270,256,667)</b>	<b>433,484,184</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(17,463,707)</b>	<b>175,663,108</b>
Cash and cash equivalents at the beginning of the period	126,036,188	95,220,941
<b>Cash and cash equivalents at the end of the period</b>	<b>4 108,572,481</b>	<b>270,884,049</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ALPHA FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED**  
**INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Alpha Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on December 27, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on February 29, 2008. The SECP approved the first Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. NBFC/RS/AGIML/AGAF/176/2010 dated February 26, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Alpha Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.

The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in equity securities. The Fund invests in equity securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018.

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

**2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

**2.1.2** These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

**2.1.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.



### 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.
- 3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
<b>4 BANK BALANCES</b>			
In savings accounts	4.1	108,572,481	126,036,188

- 4.1 These accounts carry profit rates ranging between 8.00% to 11.45% (June 30, 2018: 5.3% to 7.35%) per annum. These include bank balances of Rs. 105.87 million (June 30, 2018: Rs. 16.454 million) maintained with Bank Alfalah Limited, a related party.

		<b>December 31, 2018 (Unaudited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	<b>(Rupees)</b>	
<b>5 INVESTMENTS</b>			
<b>'At fair value through profit or loss'</b>			
Listed equity securities	5.1	1,294,755,995	1,790,863,413
Market Treasury Bills	5.2	-	-
		<u>1,294,755,995</u>	<u>1,790,863,413</u>

### 5.1 Listed equity securities

Fully paid ordinary shares with a face value of Rs 10 each unless stated otherwise

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets of the fund	Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)		
	Number of shares					(Rupees)			(%)	
<b>Chemical</b>										
Engro Polymer & Chemicals Limited	573,000	1,164,000	-	348,000	1,388,000	47,439,870	51,550,320	4,110,450	3.70%	0.153%
ICI Pakistan Limited	10,350	-	-	10,300	50	40,075	39,719	(357)	0.00%	0.000%
						<u>47,479,945</u>	<u>51,590,039</u>	<u>4,110,093</u>	<u>3.70%</u>	
<b>Fertilizer</b>										
Engro Corporation Limited	309,900	253,500	-	273,100	290,300	92,884,785	94,500,524	(8,384,241)	6.06%	0.055%
Fauji Fertilizer Company Limited	935,000	526,500	-	934,500	527,000	51,720,353	49,931,950	(2,788,403)	3.51%	0.041%
Fauji Fertilizer Bin Qasim Limited	763,000	71,500	-	812,500	22,000	857,223	819,940	(37,283)	0.06%	0.002%
Engro Fertilizers Limited	1,582,000	604,000	-	1,180,500	1,005,500	76,514,200	69,429,775	(7,084,425)	4.98%	0.075%
						<u>221,976,541</u>	<u>203,682,199</u>	<u>(18,294,352)</u>	<u>14.61%</u>	
<b>Commercial Banks</b>										
Bank Allah Limited (a related party)	1,612,000	995,000	132,750	782,500	1,957,250	94,880,029	79,444,778	(15,405,252)	5.70%	0.110%
Bank Al-Habib Limited	757,000	174,500	-	391,000	540,500	42,327,906	37,180,995	(5,146,911)	2.67%	0.049%
The Bank of Punjab	1,522,500	2,775,500	-	1,182,000	3,116,000	37,976,029	37,298,520	(677,509)	2.88%	0.118%
Habib Bank Limited	693,200	424,500	-	615,500	502,200	76,607,578	60,489,990	(16,117,588)	4.34%	0.034%
Habib Metropolitan Bank Limited	126,000	2,000	-	128,000	-	-	-	-	0.00%	0.000%
Meezan Bank Limited	306,000	128,500	17,700	247,500	204,700	16,386,403	18,912,233	2,525,830	1.36%	0.018%
MCB Bank Limited	385,500	393,000	-	409,200	369,300	73,213,561	71,485,401	(1,728,160)	5.13%	0.031%
United Bank Limited	587,500	527,800	-	480,500	634,800	100,450,797	77,851,872	(22,598,925)	5.58%	0.052%
Faysal Bank Limited	906,750	268,000	-	1,136,500	38,250	1,003,163	920,678	(82,486)	0.07%	0.003%
Allied Bank Limited	-	190,500	-	9,500	181,000	18,241,050	19,452,070	1,211,021	1.40%	0.016%
Askari Bank Limited	-	95,000	-	-	95,000	2,177,790	2,272,400	94,610	0.16%	0.008%
						<u>463,234,306</u>	<u>405,308,936</u>	<u>(57,925,370)</u>	<u>29.10%</u>	
<b>Cement</b>										
D. G. Khan Cement Company Limited	252,400	827,800	-	833,500	246,700	24,556,469	19,773,005	(4,783,464)	1.42%	0.056%
Cherat Cement Company Limited	11,000	-	-	11,000	-	-	-	-	0.00%	0.000%
Kohat Cement Company Limited	9,900	99,000	-	9,900	99,000	9,670,757	8,409,060	(1,261,697)	0.60%	0.049%
Maple Leaf Cement Factory Limited	340,987	1,101,000	-	732,000	709,987	34,955,383	28,860,972	(6,094,411)	2.07%	0.108%
Attock Cement Pakistan Limited	15,100	-	-	15,100	-	-	-	-	0.00%	0.000%
Lucky Cement Limited	120,600	173,700	-	192,600	101,700	49,089,306	44,205,939	(4,883,367)	3.17%	0.031%
Fauji Cement Company Limited	340,500	-	-	340,500	-	-	-	-	0.00%	0.000%
						<u>118,271,915</u>	<u>101,248,976</u>	<u>(17,022,939)</u>	<u>7.26%</u>	
<b>Power Generation and Distribution</b>										
Hub Power Company Limited	756,600	329,500	-	474,500	613,600	55,990,887	52,640,744	(3,350,143)	3.78%	0.053%
Kot Addu Power Company Limited	676,000	428,000	-	195,500	908,500	49,483,018	45,016,175	(4,466,843)	3.23%	0.103%
						<u>105,473,905</u>	<u>97,656,919</u>	<u>(7,816,986)</u>	<u>7.01%</u>	
<b>Oil and Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	143,820	55,300	20,844	91,100	129,064	34,167,800	29,094,898	(5,072,902)	2.08%	0.033%
Haseco Petroleum Limited	3,754	-	938	-	4,692	1,177,855	696,293	(481,562)	0.05%	0.003%
Sui Northern Gas Pipelines Limited	183,000	234,500	-	264,000	153,500	12,651,441	11,830,245	(821,196)	0.85%	0.024%
Hi-Tech Lubricants Limited	3,000	-	-	3,000	-	-	-	-	0.00%	0.000%
						<u>47,987,095</u>	<u>41,621,435</u>	<u>(6,375,660)</u>	<u>2.99%</u>	

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets of the fund	Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)		
					-----Number of shares-----			----- (Rupees) -----		
								----- (%) -----		
<b>Oil and Gas Exploration Companies</b>										
Oil & Gas Development Company Limited	978,700	436,200	-	800,000	614,900	93,212,147	78,707,200	(14,504,947)	5.65%	0.014%
Pakistan Petroleum Limited	679,500	349,100	86,955	560,500	555,055	101,617,627	83,069,531	(18,548,095)	5.96%	0.024%
Pakistan Oilfields Limited	142,700	56,950	20,410	137,250	82,810	44,863,771	35,179,344	(9,684,426)	2.52%	0.029%
Mari Petroleum Company Limited	52,210	18,180	5,521	29,080	46,831	64,522,863	57,876,560	(6,646,303)	4.15%	0.039%
						304,216,407	254,832,635	(49,383,772)	16.28%	
<b>Engineering</b>										
Crescent Steel & Allied Products Limited	25,000	-	-	25,000	-	-	-	-	0.00%	0.000%
Armel Steels Limited	-	194,500	-	194,500	-	-	-	-	0.00%	0.000%
International Industries Limited	142,000	10,900	-	118,200	34,700	7,857,865	5,345,535	(2,512,330)	0.38%	0.029%
Mughal Iron & Steel Industries	230,500	138,500	-	167,000	202,000	11,827,190	8,170,900	(3,656,290)	0.59%	0.080%
International Steels Limited	353,800	44,500	-	267,500	130,800	13,399,613	8,602,716	(4,797,097)	0.62%	0.030%
						33,084,668	22,119,151	(10,965,717)	1.59%	
<b>Automobile Assembler</b>										
Indus Motor Company Limited	6,540	560	-	5,850	1,250	1,585,069	1,524,600	(60,469)	0.11%	0.002%
Milat Tractors Limited	4,600	-	-	1,000	3,600	4,277,016	2,995,164	(1,281,852)	0.21%	0.008%
						5,862,085	4,519,764	(1,342,321)	0.32%	
<b>Food and Personal Care Products</b>										
Fauji Foods Limited	470,500	131,500	-	591,000	11,000	382,352	333,080	(49,272)	0.02%	0.002%
						382,352	333,080	(49,272)	0.02%	
<b>Pharmaceuticals</b>										
The Searle Company Limited	36,382	-	612	32,300	4,694	1,385,639	1,152,799	(233,040)	0.08%	0.002%
						1,385,639	1,152,799	(233,040)	0.08%	
<b>Textile Composite</b>										
Gul Ahmed Textile Mills Limited	1,769	644,000	-	44,500	601,269	30,354,001	27,760,590	(2,593,411)	1.99%	0.169%
Nishat Mills Limited	188,000	481,100	-	136,000	533,100	75,017,784	67,453,143	(7,564,621)	4.84%	0.152%
Nishat Chunian Limited	-	168,000	-	-	168,000	10,163,910	8,161,440	(2,002,470)	0.59%	0.070%
						115,535,674	103,375,173	(12,160,502)	7.42%	
<b>Miscellaneous</b>										
Synthetic Products Enterprises Limited	19,900	-	-	18,000	1,900	97,090	63,479	(33,611)	0.00%	0.002%
Systems Limited	-	69,000	-	3,000	66,000	7,256,760	7,251,420	(4,340)	0.52%	0.059%
						7,352,850	7,314,899	(37,951)	0.52%	
<b>As at December 31, 2018</b>						<b>1,472,253,792</b>	<b>1,294,755,995</b>	<b>(177,497,798)</b>	<b>92.90%</b>	
<b>As at June 30, 2018</b>						<b>1,879,733,619</b>	<b>1,790,863,413</b>	<b>(88,870,206)</b>	<b>94.66%</b>	

**5.1.1** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the Fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at December 31, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the investee company	31-Dec-18		30-Jun-18	
	Bonus Shares			
	Number	Market value	Number	Market value
	Rupees		Rupees	
Hascol Petroleum Limited	3,537	524,891	2,830	887,941
The Searle Company Limited	4,594	1,128,240	3,995	1,356,303
Synthetic Products Enterprises Limited	1,095	36,584	1,095	55,955
Gul Ahmed Textiles Mills Limited	375	17,314	375	16,099
Pakistan State Oil Company limited	1,694	381,878	1,411	449,135
Faysal Bank Limited	4,463	107,424	4,463	116,038
	<u>15,758</u>	<u>2,196,331</u>	<u>14,169</u>	<u>2,881,471</u>

## 5.2 Market Treasury Bills

Tenor	Units				Carrying Value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of	
	As at July 1, 2018	Purchased during the period	Sold /Maturity during the period	As at December 31, 2018				Net assets of the fund	Total market value of investments
								(Rupees)	Percentage
Market Treasury Bills - 3 months		150,000,000	150,000,000	-					
<b>Total as at December 31, 2018</b>		<u>150,000,000</u>	<u>150,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<b>Total as at June 30, 2018</b>					<u>-</u>	<u>-</u>	<u>-</u>		

5.3 Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	December 31, 2018	June 30, 2018
	(Unaudited)	(Audited)
	----- Rupees -----	
Market value of investments	1,294,755,995	1,790,863,413
Less: Carrying amount of investments	<u>(1,472,253,782)</u>	<u>(1,879,733,619)</u>
	<u>(177,497,788)</u>	<u>(88,870,206)</u>

5.4 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

Name of Investee Company	December 31, 2018	June 30, 2018	December 31, 2018	June 30, 2018
	Number of shares		----- Rupees -----	
Hub Power Company Limited	280,000	280,000	24,021,200	25,804,800
Oil and Gas Development Company Limited	275,000	275,000	35,200,000	42,795,500
	<u>555,000</u>	<u>555,000</u>	<u>59,221,200</u>	<u>68,600,300</u>

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
----- Rupees -----			
<b>6</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Management remuneration payable	6.1	2,204,871
	Performance fee payable to the management company	6.2	450,906
	Sindh sales tax payable on management remuneration	6.3	955,019
	Sindh sales tax payable on performance fee	6.3	160,329
	Federal excise duty payable on management remuneration	6.4	4,879,884
	Federal excise duty payable on performance fee	6.4	297,850
	Payable against allocated expenses	6.5	707,084
	Payable against marketing and selling expenses	6.6	3,380,348
	Sales load payable		2,837,714
			<u>479,963</u>
			<u>15,874,005</u>
			<u>15,627,859</u>

- 6.1** The Management Company has charged remuneration at a rate of 1.75% of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2** The Management Company has charged performance fee on out-performance of the Fund over the hurdle rate as defined in the offering document.
- 6.3** During the period, Sindh Sales Tax on management remuneration and performance fee has been charged at the rate of 13% (June 30, 2018: 13%).
- 6.4** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.18 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Rs 0.22 per unit (June 30, 2018: Rs 0.20 per unit).

- 6.5** In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.6** In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

7	ACCRUED AND OTHER LIABILITIES	Note	December 31,	June 30,
			2018 (Unaudited)	2018 (Audited)
			----- Rupees -----	
	Provision against Sindh Workers' Welfare Fund	7.1	11,039,300	11,039,300
	Auditors' remuneration payable		380,294	564,614
	Withholding tax payable		350,531	729,568
	Capital gain tax payable		10,367	3,514
	Brokerage payable		957,115	553,332
	Settlement charges payable		39,962	42,577
	Annual fee payable		634,913	415,277
	Printing charges payable		33,423	47,030
	Other payable		213,836	-
	Sales load payable		-	2,104
			13,659,741	13,397,316

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.47 per unit (June 30, 2018: 0.42 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 9 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.67% which includes 0.18% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## 10 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

## 11 EARNINGS PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

## 12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 12.1 Unit Holders' Fund

	December 31, 2018 (Unaudited)									
	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at December 31, 2018	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at December 31, 2018
	----- Units -----					----- (Rupees) -----				
<b>Associated companies / undertakings</b>										
Bank Alfalah Limited - Employees Provident Fund	2,379,694	-	189,922	-	2,569,616	159,820,272	-	12,755,162	-	151,688,564
Alfalah GHP Prosperity Planning Fund										
Conservative Allocation Plan	394,609	71,997	31,493	208,751	289,349	26,501,959	4,600,000	2,115,105	13,500,000	17,080,734
Moderate Allocation Plan	1,229,252	140,901	98,106	537,339	930,920	89,464,088	5,137,007	7,140,076	37,960,970	54,953,697
Active Allocation Plan	1,902,824	-	151,863	810,387	1,244,300	119,580,835	6,866,303	9,543,676	50,739,962	73,453,020
<b>Key Management Personnel (Employees)</b>										
Chief Financial Officer	135	-	11	146	-	9,091	-	726	9,976	-
Fund Manager	-	1,617	-	-	1,617	-	100,000	-	-	95,466
<b>Unit Holders Holding 10% or more units</b>										
Sindh General Provident Investment Fund	3,623,030	-	289,152	-	3,912,182	243,322,669	-	19,419,439	-	230,942,363

12.1.1 This reflects the position of related party / connected persons as at December 31, 2018

	Half year ended December 31, 2017 (Unaudited)									
	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at December 31, 2017	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at December 31, 2017
	Units					Rupees				
<b>Associated companies / undertakings</b>										
Bank Alfalah Limited - Employees Provident Fund	2,379,694	-	-	-	2,379,694	201,064,171	-	-	-	169,243,861
Alfalah GHP Prosperity Planning Fund										
Conservative Allocation Plan	405,260	-	-	14,243	391,017	34,244,498	-	-	1,000,000	27,809,154
Moderate Allocation Plan	1,558,496	-	-	366,928	1,191,568	131,692,939	-	-	26,500,000	84,744,339
Active Allocation Plan	1,272,246	482,597	-	-	1,754,843	107,504,806	40,000,000	-	-	124,804,428
<b>Key Management Personnel (Employees)</b>										
Chief Financial Officer	-	135	-	-	135	-	9,748	-	-	9,627
<b>Unit holder holding 10% or more Units</b>										
Sindh General Provident Investment Fund	-	3,623,030	-	-	3,623,030	306,146,002	-	-	-	257,669,866
The Nishat Mills Limited Employees Provident Fund	-	6,181,912	-	-	6,181,912	-	525,000,000	-	-	439,657,587

12.2 Other transactions	Half year ended (Unaudited)	
	December 31, 2018	December 31, 2017
	----- Rupees -----	
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	14,789,862	15,405,291
Performance fee of the Management Company	540,470	526,219
Sindh sales tax on remuneration of the Management Company	1,922,687	2,002,688
Sindh sales tax on performance fee of the Management Company	70,260	68,408
Allocated expenses	845,084	880,256
Selling and marketing expenses	3,380,348	5,621,391
Sales load	29,968,588	17,857,674
<b>Bank Alfalah Limited</b>		
Profit on bank balances	4,375,317	3,676,999
Bank charges	15,523	5,090
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	1,349,246	1,384,417
Sindh sales tax on remuneration of the Trustee	175,404	179,978
CDS charges	184,000	123,248



### 12.3 Other balances

	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	----- Rupees -----	
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	2,204,871	2,809,395
Performance fee payable to the management company	450,906	1,166,987
Sindh sales tax payable on performance fee	955,019	253,421
Sindh sales tax payable on management remuneration	160,329	1,033,603
Federal excise duty payable on management remuneration	4,879,884	4,879,884
Federal excise duty payable on performance fee	297,850	297,850
Payable against allocated expenses	707,084	941,350
Payable against marketing and selling expenses	3,380,348	3,765,406
Sales load payable	2,837,714	479,963
<b>Bank Alfalah Limited</b>		
Bank balance	105,871,391	16,454,697
Profit receivable on bank balances	1,158,546	311,049
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	210,886	242,693
Sindh sales tax payable on trustee remuneration	15,557	19,691
Security deposit	200,000	200,000

### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### 13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

----- As at December 31, 2018 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>At fair value through profit or loss</b>				
Listed equity securities	1,294,755,995	-	-	1,294,755,995

----- As at June 30, 2018 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
<b>At fair value through profit or loss</b>				
Listed equity securities	1,790,863,413	-	-	1,790,863,413

During the half year ended December 31, 2018, 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.

#### 14 CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

#### 15 GENERAL

15.1 Figures have been rounded off to the nearest Pakistani Rupee.

15.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

#### 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Stock Fund**

## FUND INFORMATION

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<b>Board of Directors of the Management Company:</b>	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
<b>Audit Committee:</b>	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
<b>HR Committee:</b>	Syed Ali Sultan Mr. Tufail Jawed Ahmad Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
<b>Risk Committee:</b>	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
<b>Chief Operating Officer and Company Secretary :</b>	Mr. Noman Ahmed Soomro
<b>Chief Financial Officer:</b>	Syed Hyder Raza Zaidi
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited

**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP STOCK FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Stock 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalsh GHP Stock Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalsh GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### ***Other matter***

The condensed interim financial statements of the Fund for the half year ended December 31, 2017 were reviewed and the financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 26, 2018 and September 24, 2018 respectively.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
<b>Assets</b>			
Bank balances	4	202,023,920	99,329,068
Investments - net	5	2,040,911,708	2,352,144,295
Receivable against sale of investments		6,918,284	15,406,239
Dividend and other receivables		5,152,780	5,807,588
Security deposits		2,600,000	2,600,000
<b>Total assets</b>		<u>2,257,606,692</u>	<u>2,475,287,190</u>
<b>Liabilities</b>			
Payable to the Management Company	6	25,533,309	26,169,753
Payable to the Trustee		299,884	311,310
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		1,191,198	2,530,385
Payable against purchase of investments		4,530,626	10,662,874
Accrued and other liabilities	7	21,207,476	21,893,488
<b>Total liabilities</b>		52,762,493	61,567,810
<b>Net assets attributable to unit holders</b>		<u>2,204,844,199</u>	<u>2,413,719,380</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>2,204,844,199</u>	<u>2,413,719,380</u>
<b>Contingencies and commitments</b>	8		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<u>21,167,929</u>	<u>18,018,626</u>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<u>104.1597</u>	<u>133.9569</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP STOCK FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Half year ended		Quarter ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(Rupees)		(Rupees)	
<b>INCOME</b>					
Profit on bank balances		8,609,209	8,223,637	5,434,878	4,005,131
Dividend income		68,159,768	65,204,895	37,643,832	41,905,930
Income from Government securities		1,200,997	-	-	-
Loss on sale of investments - net		(73,565,787)	(318,186,867)	(77,559,571)	(180,367,641)
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net	5.3	(290,789,285)	(229,397,039)	(226,098,704)	41,368,528
<b>Total income</b>		<b>(286,385,098)</b>	<b>(474,155,374)</b>	<b>(260,579,565)</b>	<b>(93,088,052)</b>
<b>EXPENSES</b>					
Remuneration of the Management Company	6.1	25,078,472	27,138,188	12,320,634	12,478,270
Sindh sales tax on remuneration of the Management Company	6.2	3,260,194	3,527,963	1,601,677	1,622,175
Allocated expenses	6.4	1,253,840	1,356,821	615,989	623,873
Selling and marketing expenses	6.5	5,015,371	8,661,587	2,463,971	5,729,792
Remuneration of the Trustee		1,758,047	1,861,023	868,096	875,966
Sindh sales tax on remuneration of the Trustee		228,548	241,933	112,854	113,878
Annual fee to the Securities and Exchange Commission of Pakistan		1,191,224	1,289,065	585,227	592,721
Brokerage and securities transaction costs		3,198,758	3,899,594	1,677,731	1,168,265
Bank and settlement charges		436,538	582,532	338,013	262,254
Auditors' remuneration		402,766	386,000	201,384	250,256
Annual listing fee		13,810	13,856	6,904	1,252
Annual rating fee		-	80,592	-	40,296
Printing charges		25,208	32,997	12,604	20,393
<b>Total expenses</b>		<b>41,862,776</b>	<b>49,072,151</b>	<b>20,805,084</b>	<b>23,779,391</b>
<b>Net loss for the period before taxation</b>		<b>(328,247,874)</b>	<b>(523,227,525)</b>	<b>(281,384,649)</b>	<b>(116,867,443)</b>
Taxation	9	-	-	-	-
<b>Net loss for the period after taxation</b>		<b>(328,247,874)</b>	<b>(523,227,525)</b>	<b>(281,384,649)</b>	<b>(116,867,443)</b>
<b>Allocation of net income for the period</b>					
Net loss for the period after taxation		(328,247,874)	(523,227,525)	(281,384,649)	(116,867,443)
Income already paid on units redeemed		-	-	-	-
		<b>(328,247,874)</b>	<b>(523,227,525)</b>	<b>(281,384,649)</b>	<b>(116,867,443)</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**ALFALAH GHP STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees) -----		----- (Rupees) -----	
<b>Net loss for the period after taxation</b>	(328,247,874)	(523,227,525)	(281,384,649)	(116,867,443)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(328,247,874)</u>	<u>(523,227,525)</u>	<u>(281,384,649)</u>	<u>(116,867,443)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP STOCK FUND**

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	For the period ended December 31, 2018			For the period ended December 31, 2017		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Capital value	2,027,645,920	-	2,027,645,920	1,837,298,714	-	1,837,298,714
Undistributed income brought forward						
- Realised income	-	507,488,609	507,488,609	-	690,563,558	690,563,558
- Unrealised (loss) / income	-	(121,415,149)	(121,415,149)	-	192,879,926	192,879,926
<b>Net assets at beginning of the period</b> [Rs. 133,9569 (June 30, 2017: Rs. 156,8824) per unit]	<u>2,027,645,920</u>	<u>386,073,460</u>	<u>2,413,719,380</u>	<u>1,837,298,714</u>	<u>883,443,484</u>	<u>2,720,742,198</u>
Issuance of 6,470,248 units (2017: 6,433,800) units						
- Capital value (at net asset value per unit at the beginning of the period)	769,700,765	-	769,700,765	1,010,106,600	-	1,010,106,600
- Element of loss	(458,578)	-	(458,578)	(28,460,859)	-	(28,460,859)
Total proceeds on issuance of units	<u>769,242,187</u>	<u>-</u>	<u>769,242,187</u>	<u>981,645,741</u>	<u>-</u>	<u>981,645,741</u>
Redemption of 3,320,945 (2017: 6,077,647) units						
- Capital value (at net asset value per unit at the beginning of the period)	395,059,624	-	395,059,624	954,190,579	-	954,190,579
- Element of income	(15,697,845)	-	(15,697,845)	(95,794,870)	-	(95,794,870)
Total payments on redemption of units	<u>379,361,779</u>	<u>-</u>	<u>379,361,779</u>	<u>858,395,709</u>	<u>-</u>	<u>858,395,709</u>
Total comprehensive loss for the period	-	(328,247,874)	(328,247,874)	-	(523,227,525)	(523,227,525)
Bonus distribution for the year ended June 30, 2018 @ Rs. 14.9984 per unit on July 02, 2018	-	(270,507,715)	(270,507,715)	-	-	-
Net loss for the period less distribution	-	(598,755,589)	(598,755,589)	-	(523,227,525)	(523,227,525)
<b>Net assets at end of the period</b> [Rs. 104,1597 (December 31, 2017: Rs. 131,1216) per unit]	<u>2,417,526,328</u>	<u>(212,682,129)</u>	<u>2,204,844,199</u>	<u>1,960,548,746</u>	<u>360,215,959</u>	<u>2,320,764,705</u>
Undistributed income carried forward						
- Realised income / (loss)		78,107,156			589,612,998	
- Unrealised loss		(290,789,285)			(229,397,039)	
		<u>(212,682,129)</u>			<u>360,215,959</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			-	
- Excluding capital gain		-			-	
		<u>-</u>			<u>-</u>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended	
	December 31, 2018	December 31, 2017
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(328,247,874)	(523,227,525)
<b>Adjustments for:</b>		
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	290,789,285	229,397,039
	(37,458,589)	(293,830,486)
<b>Decrease / (increase) in assets</b>		
Investments - net	20,443,302	401,839,373
Receivable against sale of investments	8,487,955	(75,206,385)
Dividend and other receivables	654,808	(8,122,317)
	29,586,065	318,510,671
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(636,444)	6,503,675
Payable to the Trustee	(11,426)	(40,279)
Payable against purchase of investments	(6,132,248)	(332,846,444)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(1,339,187)	(1,121,685)
Accrued and other liabilities	(686,012)	(5,307,204)
	(8,805,317)	(332,811,937)
<b>Net cash flows used in operating activities</b>	(16,677,841)	(308,131,752)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	498,734,472	981,645,741
Amount paid against redemption of units	(379,361,779)	(862,713,372)
<b>Net cash flows generated from financing activities</b>	119,372,693	118,932,369
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	102,694,852	(189,199,383)
Cash and cash equivalents at beginning of the period	99,329,068	478,581,673
<b>Cash and cash equivalents at end of the period</b>	202,023,920	289,382,290

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP STOCK FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED**  
**INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Alfalah GHP Stock Fund (the Fund) is an open-ended Fund constituted under a Trust Deed entered into on June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan (the SECP) sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved Second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Stock Fund.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular No. 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the trust deed, the objective of the Fund is to provide good total return through a long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its assets in debt and money market securities in order to meet liquidity requirements from time to time. The investment objectives and policies are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) dated August 10, 2018 to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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2.1.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.1.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

### **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

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4	BANK BALANCES	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
			----- (Rupees) -----	
	In saving accounts	4.1	202,023,920	99,329,068

4.1 The rate of return on these accounts ranges between 8.00% to 11.45% (June 30, 2018: 4% to 7.35%) per annum. These include bank balance of Rs.94.07 million (June 30, 2018: Rs. 31.69 million) maintained with Bank Alfalah Limited (a related party).

5	INVESTMENTS	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
			----- (Rupees) -----	
	<b>'At fair value through profit or loss'</b>			
	Listed equity securities	5.1	2,040,911,708	2,352,144,295
	Market Treasury Bills	5.2	-	-
			2,040,911,708	2,352,144,295

#### 5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets	Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)		
Number of shares						----- (Rupees) -----			----- (%) -----	
<b>Commercial banks</b>										
Bank Alfalah Limited (a related party)	2,090,000	977,500	228,600	265,000	3,031,100	146,150,441	123,032,349	(23,118,092)	5.58	0.171
Allied Bank Limited	-	290,000	-	-	290,000	29,291,690	31,166,300	1,874,610	1.41	0.025
Askari Bank Limited	-	149,500	-	-	149,500	3,418,975	3,576,040	157,065	0.16	0.012
Bank Al Habib Limited	1,010,000	86,000	-	240,500	855,500	67,600,540	58,849,845	(8,750,695)	2.67	0.077
The Bank of Punjab	1,979,000	3,566,000	-	735,000	4,810,000	58,257,169	57,575,700	(681,469)	2.61	0.182
Habib Bank Limited	916,200	524,400	-	654,300	786,300	123,154,603	94,709,835	(28,444,768)	4.30	0.054
MCB Bank Limited	505,600	355,600	-	280,400	580,800	115,381,772	112,425,456	(2,956,316)	5.10	0.049
Meezan Bank Limited	403,000	166,000	32,600	261,000	340,600	26,996,881	31,468,034	4,471,153	1.43	0.029
Faysal Bank Limited	1,209,200	280,500	-	1,409,500	80,200	2,111,204	1,930,414	(180,790)	0.09	0.005
United Bank Limited	779,300	493,900	-	260,400	1,012,800	163,809,726	124,209,792	(39,599,934)	5.63	0.083
Habib Metropolitan Bank Limited	183,000	-	-	183,000	-	-	-	-	-	0.000
						736,173,001	638,943,765	(97,229,236)	28.98	
<b>Power generation and distribution</b>										
Hub Power Company Limited	985,100	245,000	-	274,500	955,600	87,720,978	81,980,924	(5,740,054)	3.72	0.083
Kot Addu Power Company Limited	885,500	592,500	-	20,000	1,458,000	80,031,041	72,243,900	(7,787,141)	3.28	0.166
						167,752,019	154,224,824	(13,527,195)	7.00	
<b>Oil &amp; Gas Marketing Companies</b>										
Hascol Petroleum Limited	7,740	-	1,935	-	9,675	2,428,502	1,435,770	(992,732)	0.07	0.005
Pakistan State Oil Company Limited	187,400	56,600	32,580	74,100	202,480	53,758,091	45,645,066	(8,113,025)	2.07	0.052
Hi-Tech Lubricants Limited	5,500	-	-	5,500	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	237,900	283,500	-	294,500	226,900	18,810,201	17,487,183	(1,323,018)	0.79	0.036
						74,996,794	64,568,019	(10,428,775)	2.93	

Name of the investee company	As at July 01, 2016	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets	Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)		
					Number of shares	(Rupees)			(%)	
<b>Oil &amp; Gas Exploration Companies</b>										
Mari Petroleum Company Limited	67,940	17,960	8,432	19,480	74,852	102,438,407	92,506,593	(9,931,814)	4.20	0.062
Oil & Gas Development Company Limited	1,307,600	345,100	-	700,700	952,000	145,274,266	121,856,000	(23,418,266)	5.53	0.022
Pakistan Oilfields Limited	171,250	43,750	33,930	121,300	127,630	69,749,295	54,219,777	(15,529,518)	2.46	0.045
Pakistan Petroleum Limited	874,600	207,300	128,055	341,400	868,555	160,674,813	129,987,941	(30,686,872)	5.90	0.038
						<u>478,136,781</u>	<u>398,570,311</u>	<u>(79,566,470)</u>	<u>18.09</u>	
<b>Chemical</b>										
Biafo Industries Limited	240	-	48	-	288	76,795	61,704	(15,091)	-	0.001
Engro Polymer & Chemicals Limited	764,000	1,455,000	-	74,000	2,145,000	72,627,847	79,665,300	7,037,453	3.61	0.236
ICI Pakistan Limited	9,520	-	-	9,450	70	58,105	55,806	(499)	-	0.000
						<u>72,760,747</u>	<u>79,782,610</u>	<u>7,021,863</u>	<u>3.61</u>	
<b>Food and personal care products</b>										
Fauji Foods Limited	612,000	204,500	-	816,500	-	-	-	-	-	0.000
						<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00</u>	
<b>Cement</b>										
Attock Cement Pakistan Limited	70,400	-	-	70,400	-	-	-	-	-	0.000
Cherat Cement Company Limited	30,500	-	-	30,500	-	-	-	-	-	0.000
D. G. Khan Cement Company Limited	332,900	1,175,000	-	1,114,700	383,200	39,614,519	31,514,980	(8,099,539)	1.43	0.090
Kohat Cement Company Limited	17,700	165,700	-	27,200	156,200	15,564,406	13,267,628	(2,296,778)	0.60	0.078
Fauji Cement Company Limited	459,500	-	-	459,500	-	-	-	-	-	0.000
Lucy Cement Limited	154,000	270,500	-	264,900	159,600	76,873,391	69,373,332	(7,500,059)	3.15	0.049
Maple Leaf Cement Factory Limited	447,125	1,428,000	-	753,000	1,122,125	56,021,971	45,614,381	(10,407,590)	2.07	0.170
						<u>188,074,287</u>	<u>159,770,321</u>	<u>(28,303,966)</u>	<u>7.25</u>	
<b>Fertilizer</b>										
Engro Corporation Limited	405,900	202,500	-	140,500	467,900	150,125,362	136,196,332	(13,929,030)	6.18	0.089
Engro Fertilizers Limited	2,102,000	368,000	-	834,500	1,635,500	123,751,867	112,931,275	(10,820,592)	5.12	0.122
Fauji Fertilizer Company Limited	1,222,000	644,500	-	1,036,500	830,000	81,576,515	77,065,500	(4,511,015)	3.50	0.065
Fauji Fertilizer Bin Qasim Limited	1,031,000	112,500	-	1,094,000	49,500	1,931,445	1,844,865	(86,580)	0.08	0.005
						<u>357,385,189</u>	<u>328,037,972</u>	<u>(29,347,217)</u>	<u>14.88</u>	
<b>Engineering</b>										
Amreli Steels Limited	-	193,000	-	193,000	-	-	-	-	-	0.000
Crescent Steel and Allied Products Limited	34,900	-	-	34,900	-	-	-	-	-	0.000
International Industries Limited	187,200	18,000	-	152,800	52,400	11,964,300	8,072,220	(3,892,080)	0.37	0.044
International Steels Limited	466,600	39,000	-	279,000	226,600	23,276,421	14,903,482	(8,372,939)	0.68	0.052
Mughal Iron & Steel Industries Limited	342,500	110,500	-	128,500	324,500	19,095,095	13,126,025	(5,969,070)	0.60	0.129
						<u>54,335,816</u>	<u>36,101,727</u>	<u>(18,234,089)</u>	<u>1.65</u>	
<b>Textile composite</b>										
Gul Ahmed Textile Mills Limited	4,554	937,500	-	-	942,054	47,459,663	43,494,633	(3,965,030)	1.97	0.264
Nishat Mills Limited	244,600	629,500	-	48,000	826,100	115,729,241	104,526,433	(11,202,808)	4.74	0.235
Nishat Chunian Limited	-	262,500	-	-	262,500	15,917,355	12,752,250	(3,165,105)	0.58	0.109
						<u>179,106,259</u>	<u>160,773,316</u>	<u>(18,332,943)</u>	<u>7.29</u>	
<b>Pharmaceuticals</b>										
The Searle Company Limited	47,436	-	1,145	39,800	8,781	2,592,422	2,156,526	(435,896)	0.10	0.004
						<u>2,592,422</u>	<u>2,156,526</u>	<u>(435,896)</u>	<u>0.10</u>	
<b>Automobile assembler</b>										
Indus Motor Company Limited	9,080	1,060	-	9,480	660	745,653	804,989	59,336	0.04	0.001
Milat Tractors Limited	6,300	-	-	-	6,300	7,484,778	5,241,537	(2,243,241)	0.24	0.014
						<u>8,230,431</u>	<u>6,046,526</u>	<u>(2,183,905)</u>	<u>0.28</u>	
<b>Technology &amp; Communication</b>										
Systems Limited	-	108,000	-	3,500	104,500	11,462,287	11,481,415	19,128	0.52	0.093
						<u>11,462,287</u>	<u>11,481,415</u>	<u>19,128</u>	<u>0.52</u>	
<b>Miscellaneous</b>										
Synthetic Products Enterprises Limited	33,100	-	-	19,500	13,600	694,960	454,376	(240,584)	0.02	0.016
						<u>694,960</u>	<u>454,376</u>	<u>(240,584)</u>	<u>0.02</u>	
<b>As at December 31, 2018</b>						<u><b>2,331,700,993</b></u>	<u><b>2,040,911,708</b></u>	<u><b>(290,789,285)</b></u>		
<b>As at June 30, 2018</b>						<u><b>2,473,559,444</b></u>	<u><b>2,352,144,295</b></u>	<u><b>(121,415,149)</b></u>		

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at December 31, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of investee Company	December 31, 2018		June 30, 2018	
	Bonus Shares			
	Number	Market value	Number	Market value
	(Rupees)		(Rupees)	
Hascol Petroleum Limited	6,172	915,925	4,937	1,549,033
Gul Ahmed Textile Mills Limited	1,563	72,164	1,563	67,100
The Searle Company Limited	8,248	2,025,626	7,172	2,434,894
Synthetic Products Enterprises Limited	1,905	63,646	1,905	97,346
Biafo Industries Limited	177	37,922	147	47,037
Pakistan State Oil Company Limited	2,532	570,789	2,110	671,634
Faysal Bank Limited	6,360	153,085	6,360	165,360
	<b>26,957</b>	<b>3,839,157</b>	<b>24,194</b>	<b>5,032,404</b>

5.1.2 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin.

	December 31, 2018	June 30, 2018	December 31, 2018	June 30, 2018
	----- (Number of shares) -----		----- (Rupees) -----	
Lucky Cement Limited	-	20,000	-	10,158,600
Oil and Gas Development Company Limited	60,000	-	7,680,000	-
Nishat Mills Limited	100,000	100,000	12,653,000	14,092,000
Hub Power Company Limited	470,000	470,000	40,321,300	43,315,200
	<b>630,000</b>	<b>590,000</b>	<b>60,654,300</b>	<b>67,565,800</b>



## 5.2 Market Treasury Bills - 'at fair value through profit or loss'

As at July 01, 2018	Face Value		As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	% of net assets on the basis of market value	% of total investment on the basis of market value
	Purchased during the period	Sold / matured during the period					
----- Rupees ----- % -----							
Market Treasury Bills - 3 month As at December 31, 2018	-	180,000,000	180,000,000	-	-	-	-
-----							
As at June 30, 2018							
-----							

## 5.3 Unrealised loss on revaluation of investments classified as at 'fair value through profit or loss' - net

	Note	2018 ----- (Rupees) -----	2018 ----- (Rupees) -----
Market value of investments	5.1	2,040,911,708	2,352,144,295
Less: Carrying value of investments	5.1	(2,331,700,993)	(2,473,559,444)
		<u>(290,789,285)</u>	<u>(121,415,149)</u>

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Management fee payable	6.1	3,906,041	4,163,147
Sindh sales tax payable on management remuneration	6.2	1,938,508	1,971,942
Federal excise duty payable on remuneration of the Management Company	6.3	10,130,262	10,130,262
Payable against allocated expenses	6.4	1,115,842	1,306,561
Payable against marketing and selling expenses	6.5	5,015,368	5,226,267
Sales load payable		<u>3,427,288</u>	<u>3,371,574</u>
		<u>25,533,309</u>	<u>26,169,753</u>

6.1 The Management Company has charged remuneration at the rate of 2% of average annual net assets of the Funds. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).

6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs.10.130 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.48 per unit (June 30, 2018: Re 0.56 per unit).

- 6.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.5 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

7	ACCRUED AND OTHER LIABILITIES	Note	December 31,	June 30,
			2018 (Un-audited)	2018 (Audited)
			(Rupees)	
	Provision against Sindh Workers' Welfare Fund	7.1	17,625,220	17,625,220
	Brokerage payable		1,944,306	2,014,894
	Auditors' remuneration payable		420,957	510,015
	Annual rating fee payable		185,814	185,814
	Printing charges payable		52,609	31,313
	Capital gain tax payable		252,280	157,798
	Withholding tax payable		237,668	1,368,434
	Clearing charges payable		30,000	-
	Sales load payable		458,622	-
			21,207,476	21,893,488

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

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Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.83 per unit (June 30, 2018: Re. 0.98 per unit).

## **8 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## **9 TAXATION**

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

## **10 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.68% which includes 0.21% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

## **11 EARNINGS PER UNIT**

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## **12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS**

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

## 12.1 Unit Holders' Fund

Note									
Half year ended December 31, 2018 (Un-audited)									
As at July 1, 2018	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 1, 2018	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018
(Units)					(Rupees)				

### Associated Companies / Undertakings

Alfalah Insurance Company Limited	12.1.1	479,903	-	60,507	-	540,410	64,286,318	-	7,197,780	-	56,288,943
Alfalah GHP Prosperity Planning Fund	12.1.1	1,950,975	120,645	245,981	847,066	1,470,535	261,346,563	13,600,000	29,261,506	97,000,000	153,170,485

### Key Management Personnel

#### (Employees)

Head of Corporate Sales	12.1.1	589	-	72	-	641	76,221	-	8,544	-	66,766
AVP - Marketing	12.1.1	2,739	-	346	3,085	-	366,908	-	41,133	331,742	-
AVP - Treasury	12.1.1	4,033	-	509	-	4,542	540,248	-	60,493	-	473,093
Chief Executive Officer	12.1.1	28,547	-	3,599	-	32,146	3,824,068	-	428,159	-	3,348,318
Chief Operating Officer	12.1.1	10,111	999	1,274	917	11,467	1,354,438	112,294	151,650	100,000	1,194,399
Head of Human Resource	12.1.1	611	-	77	-	688	81,848	-	9,163	-	71,662
Chief Financial Officer	12.1.1	97	-	12	109	-	12,994	-	1,449	13,132	-

### Unit holder holding 10% or more units

Nishat Mills Limited - Employees Provident Fund	12.1.1	4,425,170	-	557,930	-	4,983,100	592,782,055	-	66,370,465	-	519,038,201
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Half year ended December 31, 2017 (Un-audited)									
As at July 1, 2017	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 01, 2017	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017
(Units)					(Rupees)				

### Associated Companies / Undertakings

Alfalah Insurance Company Limited		586,574	-	-	586,574	-	92,023,137	-	-	92,023,137	-
Alfalah GHP Prosperity Planning Fund		2,078,155	259,668	-	2,89,074	2,048,749	326,026,013	40,000,000	-	39,000,000	268,644,671

### Key Management Personnel -

#### Management Company

Head of Marketing & Sales		3,507	5	-	197	3,315	550,187	628	-	25,000	434,683
Chief Executive Officer		28,546	-	-	-	28,546	4,478,365	-	-	-	3,743,129
Chief Operating Officer		9,078	-	-	9,078	-	1,424,178	-	-	1,243,349	-
Head of Human Resource		610	-	-	610	-	95,847	-	-	80,111	-
Chief Financial Officer		-	97	-	-	97	-	12,826	-	-	12,719

### Unit holder holding 10% or more units

Nishat Mills Limited - Employees Provident Fund		-	3,343,914	-	-	3,343,914	-	525,000,000	-	-	438,474,736
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12.1.1 This reflects the position of related party / connected persons status as at December 31, 2018.

## 12.2 Other transactions

Half year ended (Un-audited)

Associated companies / undertakings	December 31,	December 31,
	2018	2017
	----- (Rupees) -----	
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	25,078,472	27,138,188
Sindh sales tax on remuneration of the Management Company	3,260,194	3,527,963
Sales load	1,552,412	18,240,226
Allocated expenses	1,253,840	1,356,821
Selling and marketing expenses	5,015,371	8,661,587
<b>Bank Alfalah Limited</b>		
Profit on bank balances	1,784,540	1,295,229
Bank charges	15,384	4,327
Sales load	14,011	-
Dividend income	2,286,000	-
<b>Alfalah Securities (Private) Limited</b>		
Brokerage expense	235,750	199,930
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	1,758,047	1,861,023
Sindh sales tax on remuneration of the Trustee	228,548	241,933
CDS charges	181,634	168,845
	<b>December 31,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2018</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	----- (Rupees) -----	

## 12.3 Other balances

### Alfalah GHP Investment Management Limited - Management Company

Management fee payable	3,906,041	4,163,147
Sindh sales tax payable on management remuneration	1,938,508	1,971,942
Federal excise duty payable on remuneration of the Management Company	10,130,262	10,130,262
Payable against allocated expenses	1,115,842	1,306,561
Payable against marketing and selling expenses	5,015,368	5,226,267
Sales load payable	3,427,288	3,371,574

	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees) -----	
<b>Bank Alfalah Limited</b>		
Bank balances	94,066,542	31,698,850
Profit receivable on bank balances	<u>765,230</u>	<u>273,061</u>
Sales load payable	<u>458,622</u>	<u>-</u>
<b>Alfalah Securities (Private) Limited</b>		
Brokerage payable	<u>28,435</u>	<u>-</u>
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	<u>255,690</u>	<u>265,803</u>
Sindh sales tax payable on Trustee remuneration	<u>44,194</u>	<u>45,507</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

### 13 FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### 13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	December 31, 2018			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
<b>At fair value through profit or loss</b>				
Listed equity securities	2,040,911,708	-	-	2,040,911,708

ASSETS	June 30, 2018			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
<b>At fair value through profit or loss</b>				
Listed equity securities	2,352,144,295	-	-	2,352,144,295

During the period ended December 31, 2018, 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.

#### 14 CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

#### 15 GENERAL

15.1 Figures are rounded off to the nearest Pakistani Rupee.

15.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

#### 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Islamic Stock Fund**



## FUND INFORMATION

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<b>Board of Directors of the Management Company:</b>	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
<b>Audit Committee:</b>	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
<b>HR Committee:</b>	Syed Ali Sultan Mr. Tufail Jawed Ahmad Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
<b>Risk Committee:</b>	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
<b>Chief Operating Officer and Company Secretary :</b>	Mr. Noman Ahmed Soomro
<b>Chief Financial Officer:</b>	Syed Hyder Raza Zaidi
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	A. F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C.I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Shariah Advisor:</b>	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited

**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP ISLAMIC STOCK FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Stock 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

# **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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## **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Islamic Stock Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

## **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
<b>Assets</b>			
Bank balances	4	202,540,631	460,282,173
Investments	5	2,997,479,142	3,977,217,509
Security deposits		2,600,000	2,600,000
Receivable against sale of investments		140,808,582	19,011,542
Dividend, profit and other receivable		13,023,715	9,347,800
<b>Total assets</b>		<b>3,356,452,070</b>	<b>4,468,459,024</b>
<b>Liabilities</b>			
Payable to the Management Company	6	23,944,181	27,823,051
Payable to the Trustee		440,227	509,195
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		1,907,800	5,623,778
Accrued and other liabilities	7	57,864,198	51,533,246
<b>Total liabilities</b>		<b>84,156,406</b>	<b>85,489,270</b>
<b>Net assets attributable to unit holders</b>		<b>3,272,295,664</b>	<b>4,382,969,754</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>3,272,295,664</b>	<b>4,382,969,754</b>
<b>Contingencies and commitments</b>	8	-	-
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>73,037,526</b>	<b>70,342,694</b>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<b>44.8029</b>	<b>62.3088</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC STOCK FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Half year ended		Quarter ended	
		December 31		December 31	
		2018	2017	2018	2017
		(Rupees)		(Rupees)	
<b>INCOME</b>					
Profit on bank balances		17,370,095	21,487,494	9,837,973	11,480,553
Dividend income		121,829,922	172,529,195	66,623,008	110,727,895
Loss on sale of investments - net		(86,553,738)	(959,648,062)	(70,464,319)	(626,184,251)
Unrealised (loss) / gain on revaluation of investments - net	5.2	(405,899,308)	(543,990,588)	(338,886,216)	220,927,780
<b>Total income</b>		<b>(353,253,029)</b>	<b>(1,309,621,961)</b>	<b>(332,889,554)</b>	<b>(283,048,023)</b>
<b>EXPENSES</b>					
Remuneration of the Management Company	6.1	40,164,215	69,598,858	19,258,387	27,761,690
Sindh sales tax on remuneration of the Management Company	6.2	5,221,348	9,047,851	2,503,590	3,609,019
Allocated expenses	6.4	2,008,074	3,479,710	962,854	1,387,989
Selling and marketing expenses	6.5	8,032,294	23,246,098	3,851,414	14,879,215
Remuneration of the Trustee		2,512,321	3,984,057	1,214,975	1,640,139
Sindh sales tax on remuneration of the Trustee		326,602	517,927	157,947	213,218
Annual fee to the Securities and Exchange Commission of Pakistan		1,907,800	3,305,946	914,773	1,318,681
Brokerage expense, federal excise duty and capital value tax		3,028,881	6,579,702	1,841,827	2,405,325
Bank and settlement charges		364,690	901,315	210,195	585,632
Auditors' remuneration		404,295	455,236	202,147	280,058
Printing charges		35,288	35,288	17,644	17,644
Fees and subscriptions		91,894	89,481	47,155	44,741
Legal and professional charges		-	-	-	-
Shariah advisory fee		254,071	176,438	127,035	88,219
<b>Total expenses</b>		<b>64,351,773</b>	<b>121,417,907</b>	<b>31,309,943</b>	<b>54,231,570</b>
<b>Net loss for the period before taxation</b>		<b>(417,604,802)</b>	<b>(1,431,039,868)</b>	<b>(364,199,497)</b>	<b>(337,279,593)</b>
Taxation	10	-	-	-	-
<b>Net loss for the period after taxation</b>		<b>(417,604,802)</b>	<b>(1,431,039,868)</b>	<b>(364,199,497)</b>	<b>(337,279,593)</b>
<b>Allocation of net income for the period</b>					
Net loss for the period after taxation		(417,604,802)	(1,431,039,868)	(364,199,497)	(337,279,593)
Income already paid on units redeemed		-	-	-	-
		<b>(417,604,802)</b>	<b>(1,431,039,868)</b>	<b>(364,199,497)</b>	<b>(337,279,593)</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gain		-	-	-	-
- Excluding capital gain		-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

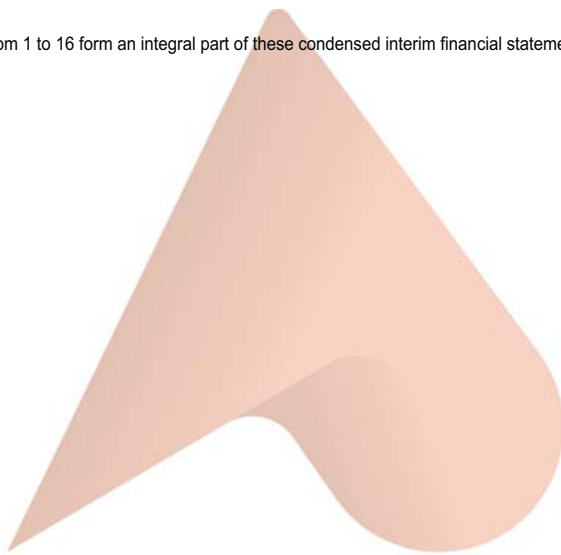
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	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31</u>		<u>December 31</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- (Rupees) -----</u>		<u>----- (Rupees) -----</u>	
<b>Net loss for the period after taxation</b>	(417,604,802)	(1,431,039,868)	(364,199,497)	(337,279,593)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(417,604,802)</u>	<u>(1,431,039,868)</u>	<u>(364,199,497)</u>	<u>(337,279,593)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	(Rupees)			(Rupees)		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
Capital value	3,148,739,238	-	3,148,739,238	6,560,798,904	-	6,560,798,904
Undistributed income brought forward						
- Realised income	-	1,447,750,052	1,447,750,052	-	2,092,332,568	2,092,332,568
- Unrealised (loss) / income	-	(213,519,536)	(213,519,536)	-	477,050,387	477,050,387
<b>Net assets at beginning of the period</b> <b>[Rs. 62.3088 (June 30, 2017: Rs 72.8229) per unit]</b>	<b>3,148,739,238</b>	<b>1,234,230,516</b>	<b>4,382,969,754</b>	<b>6,560,798,904</b>	<b>2,569,382,955</b>	<b>9,130,181,859</b>
Issuance of 29,650,890 units (2017: 22,617,752 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,483,905,476	-	1,483,905,476	1,647,090,292	-	1,647,090,292
- Element of loss	(6,560,946)	-	(6,560,946)	(90,586,648)	-	(90,586,648)
Total proceeds on issuance of units	1,477,344,530	-	1,477,344,530	1,556,503,644	-	1,556,503,644
Redemption of 26,956,058 units (2017: 65,463,253 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,349,040,183	-	1,349,040,183	4,767,223,927	-	4,767,223,927
- Element of income	(41,232,629)	-	(41,232,629)	(561,431,006)	-	(561,431,006)
Total payments on redemption of units	1,307,807,554	-	1,307,807,554	4,205,792,921	-	4,205,792,921
Total comprehensive loss for the period	-	(417,604,802)	(417,604,802)	-	(1,431,039,868)	(1,431,039,868)
Bonus distribution for the year ended June 30, 2018 @ Rs. 12.2629 per unit on July 02, 2018	-	(862,606,264)	(862,606,264)	-	-	-
Net loss for the period less distribution	-	(1,280,211,066)	(1,280,211,066)	-	(1,431,039,868)	(1,431,039,868)
<b>Net assets at end of the period</b> <b>[Rs. 44.8029 (December 31, 2017: Rs. 61.1884) per unit]</b>	<b>3,318,276,214</b>	<b>(45,980,550)</b>	<b>3,272,295,664</b>	<b>3,911,509,627</b>	<b>1,138,343,087</b>	<b>5,049,852,714</b>
Undistributed income carried forward						
- Realised income		359,918,758			1,682,333,675	
- Unrealised loss		(405,899,308)			(543,990,588)	
		<u>(45,980,550)</u>			<u>1,138,343,087</u>	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		-			-	
		<u>-</u>			<u>-</u>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

**ALFALAH GHP ISLAMIC STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31	
	2018	2017
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(417,604,802)	(1,431,039,868)
<b>Adjustments for:</b>		
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	405,899,308	543,990,588
	(11,705,494)	(887,049,280)
<b>Decrease / (increase) in assets</b>		
Investments - net	573,839,059	3,826,684,289
Dividend, profit and other receivable	(3,675,915)	(18,017,191)
Receivable against sale of investments	(121,797,040)	(51,356,287)
	448,366,104	3,757,310,811
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(3,878,870)	10,534,246
Payable to the Trustee	(68,968)	(376,112)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(3,715,978)	(2,900,196)
Payable against purchase of investments	-	(177,823,166)
Accrued and other liabilities	6,330,952	(61,553,539)
	(1,332,864)	(232,118,767)
<b>Net cash flows generated from operating activities</b>	435,327,746	2,638,142,764
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	614,738,266	1,556,503,644
Amount paid against redemption of units	(1,307,807,554)	(4,205,792,921)
<b>Net cash flows used in financing activities</b>	(693,069,288)	(2,649,289,277)
<b>Net decrease in cash and cash equivalents during the period</b>	(257,741,542)	(11,146,513)
Cash and cash equivalents at the beginning of the period	460,282,173	895,022,640
<b>Cash and cash equivalents at the end of the period</b>	202,540,631	883,876,127

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**ALFALAH GHP ISLAMIC STOCK FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED**  
**INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR DECEMBER 31, 2018**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund) (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 11, 2007 and was approved by the Securities and Exchange Commission of Pakistan (the SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on March 29, 2007. The SECP approved the second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.

The Fund is categorized as a 'shariah compliant equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018.

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.

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### 3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND FINANCIAL RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.
- 3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
(Rupees)			
<b>4 BALANCES WITH BANKS</b>			
In savings accounts	4.1	180,655,921	437,945,900
In current account	4.2	21,884,710	22,336,273
		<u>202,540,631</u>	<u>460,282,173</u>

4.1 The rate of return on these accounts ranges between 6.5% to 10.25% (June 30, 2018: 4% to 6.50%) per annum. These include bank balance of Rs. 2.2 million (June 30, 2018: Rs. 0.008 million) maintained with Bank Alfalah Limited (a related party).

4.2 This balance is maintained with Bank Alfalah Limited (a related party).

## 5 INVESTMENTS

### At fair value through profit or loss

Listed equity securities	5.1	<u>2,997,479,142</u>	<u>3,977,217,509</u>
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### 5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets	Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)		
(Number of shares)						(Rupees)				
<b>Fertilizer</b>										
Engro Fertilizer Limited	3,750,393	933,000	-	1,572,500	3,110,893	234,953,734	214,807,161	(20,146,573)	6.56%	0.23%
Engro Corporation Limited	984,619	465,600	-	418,000	1,032,219	328,127,658	300,458,306	(27,669,352)	9.18%	0.20%
Dawood Hercules Corporation Limited	812,484	-	-	264,800	547,684	60,672,433	60,875,076	202,643	1.86%	0.11%
Fauji Fertilizer Company Limited	1,238,500	411,000	-	772,000	877,500	86,169,952	81,475,875	(4,694,077)	2.49%	0.07%
						<u>709,923,777</u>	<u>657,616,418</u>	<u>(52,307,359)</u>		
<b>Cement</b>										
Cherat Cement Company Limited	47,000	-	-	47,000	-	-	-	-	0.00%	0.00%
D.G. Khan Cement Company Limited	950,640	952,000	-	961,000	941,640	103,116,261	75,472,446	(27,643,815)	2.31%	0.21%
Fauji Cement Company Limited	2,579,000	-	-	2,579,000	-	-	-	-	0.00%	0.00%
Kohat Cement Company Limited	30,100	237,700	-	30,100	237,700	23,062,409	20,190,238	(2,872,171)	0.62%	0.12%
Lucky Cement Limited	445,568	215,250	-	213,850	446,968	222,417,938	194,283,580	(28,134,358)	5.94%	0.14%
Maple Leaf Cement Factory Limited	1,306,587	1,352,000	-	1,155,000	1,503,587	71,908,069	61,120,811	(10,787,258)	1.87%	0.23%
						<u>420,504,677</u>	<u>351,067,075</u>	<u>(69,437,602)</u>		
<b>Power generation and distribution</b>										
Hub Power Company Limited	3,162,624	483,000	-	652,000	2,993,624	274,562,751	256,823,002	(17,739,749)	7.85%	0.26%
Kot Addu Power Company Limited	2,212,500	661,500	-	383,500	2,490,500	135,541,066	123,404,275	(12,136,791)	3.77%	0.26%
						<u>410,103,817</u>	<u>380,227,277</u>	<u>(29,876,540)</u>		
<b>Oil and gas marketing companies</b>										
Hascol Petroleum Limited	6,335	-	1,583	-	7,918	1,987,669	1,175,031	(812,638)	0.04%	0.004%
Hi-Tech Lubricants Limited	5,000	-	-	5,000	-	-	-	-	-	-
Pakistan State Oil Company Limited	314,772	36,600	52,774	114,600	289,546	76,516,175	65,272,354	(11,243,821)	1.99%	0.07%
Sui Northern Gas Pipelines Limited	863,607	336,000	-	407,000	792,607	74,279,101	61,086,221	(13,192,880)	1.87%	0.12%
						<u>152,782,945</u>	<u>127,533,606</u>	<u>(25,249,339)</u>		

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets	Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)		
						(Number of shares)				
<b>Oil and gas exploration companies</b>										
Mari Petroleum Company Limited	125,773	18,220	13,849	35,480	122,362	167,558,738	151,222,301	(16,336,437)	4.62%	0.05%
Oil and Gas Development Company Limited	2,904,170	411,000	-	1,120,100	2,195,070	338,345,262	280,968,960	(57,376,302)	8.58%	0.05%
Pakistan Oilfields Limited	494,761	41,050	93,152	226,000	402,963	222,672,400	171,196,741	(51,485,659)	5.23%	0.14%
Pakistan Petroleum Limited	1,936,554	256,200	287,258	525,600	1,954,412	362,667,562	292,497,299	(70,170,263)	8.94%	0.066%
						<b>1,091,243,962</b>	<b>895,875,301</b>	<b>(195,368,661)</b>		
<b>Automobile assembler</b>										
Milat Tractors Limited	18,800				18,800	22,335,528	15,641,412	(6,694,116)	0.48%	0.04%
						<b>22,335,528</b>	<b>15,641,412</b>	<b>(6,694,116)</b>		
<b>Textile composite</b>										
Kohinoor Textile Mills Limited	1,751				1,751	96,287	78,935	(17,352)	0.00%	0.00%
Nishat Mills Limited	810,274	693,500		96,000	1,407,774	198,138,122	178,125,844	(20,012,478)	5.44%	0.40%
						<b>198,234,409</b>	<b>178,204,579</b>	<b>(20,029,830)</b>		
<b>Engineering</b>										
Amreli Steels Limited		247,000	-	247,000	-	-	-	-		0.00%
Crescent Steel & Allied Products Limited	69,600	-	-	69,600	-	-	-	-	0.00%	0.00%
International Industries Limited	406,606	21,000	-	330,800	96,806	22,430,339	14,912,964	(7,517,375)	0.46%	0.08%
International Steels Limited	1,048,229	20,000	-	426,500	641,729	65,190,979	42,206,516	(22,984,463)	1.29%	0.15%
						<b>87,621,318</b>	<b>57,119,480</b>	<b>(30,501,838)</b>		
<b>Pharmaceuticals</b>										
The Searle Company Limited	191,997	-	24,374	29,500	186,871	55,167,731	45,893,648	(9,274,083)	1.40%	0.088%
Highnoon Laboratories Limited	6	-	-	-	6	2,463	2,085	(378)	0.00%	0.000%
						<b>55,170,194</b>	<b>45,895,733</b>	<b>(9,274,461)</b>		
<b>Food and personal care products</b>										
Al Shaher Corporation Limited	475	-	-	-	475	12,944	11,367	(1,577)	0.00%	0.00%
Fauji Foods Limited	1,098,000	300,500	-	1,398,500	-	-	-	-	0.00%	0.00%
						<b>12,944</b>	<b>11,367</b>	<b>(1,577)</b>		
<b>Commercial Banks</b>										
Meezan Bank Limited	1,674,034	603,500	140,653	878,000	1,540,187	122,250,595	142,298,142	20,047,547	4.35%	0.13%
						<b>122,250,595</b>	<b>142,298,142</b>	<b>20,047,547</b>		
<b>Chemical</b>										
Engro Polymer & Chemicals Limited	1,315,500	2,352,000	-	285,000	3,382,500	112,521,149	125,626,050	13,104,901	3.84%	0.37%
ICI Pakistan Limited	15,987	-	-	14,400	1,587	1,271,980	1,260,665	(11,315)	0.04%	0.00%
						<b>113,793,129</b>	<b>126,886,715</b>	<b>13,093,586</b>		
<b>Miscellaneous</b>										
Synthetic Products Limited	73,836			47,500	26,336	1,345,770	879,886	(465,884)	0.03%	0.03%
						<b>1,345,770</b>	<b>879,886</b>	<b>(465,884)</b>		
<b>Paper and board</b>										
Packages Limited	157,018			156,350	668	327,133	258,395	(68,738)	0.01%	0.00%
						<b>327,133</b>	<b>258,395</b>	<b>(68,738)</b>		
<b>Technology &amp; Communication</b>										
Systems Limited	-	163,500	-	-	163,500	17,728,252	17,963,756	235,504	0.55%	0.15%
						<b>17,728,252</b>	<b>17,963,756</b>	<b>235,504</b>		
<b>As at December 31, 2018</b>						<b>3,403,378,450</b>	<b>2,997,479,142</b>	<b>(405,899,308)</b>		
<b>As at June 30, 2018</b>						<b>4,190,737,045</b>	<b>3,977,217,509</b>	<b>(213,519,536)</b>		

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the Fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at December 31, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of investee company	31-Dec-18		30-Jun-18	
	Bonus Shares			
	Number	Market value	Number	Market value
Hascol Petroleum Limited	3,071	1,175,031	3,071	963,557
Kohinoor Textile Mills Limited	1,287	78,935	1,287	70,772
The Searle Company Limited	10,055	45,893,649	10,055	3,413,673
Highnoon Laboratories Limited	1	2,086	1	411
Al Shaheer Corporation Limited	274	11,367	274	7,467
Pakistan State Oil Company Limited	6,322	65,272,355	6,322	2,012,356
Synthetic Products Limited	9,123	879,886	9,123	466,211
	<u>30,133</u>	<u>113,313,309</u>	<u>30,133</u>	<u>6,934,447</u>

**Note**  
**December 31,**  
**2018**  
**(Unaudited)**  
**June 30,**  
**2018**  
**(Audited)**  
**-----Rupees-----**

**5.2 Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net**

Market value of investments	2,997,479,142	3,977,217,509
Less: Carrying value of investments	<u>(3,403,378,450)</u>	<u>(4,190,737,045)</u>
	<u>(405,899,308)</u>	<u>(213,519,536)</u>

**6 PAYABLE TO THE MANAGEMENT COMPANY**

Management remuneration payable	6.1	6,100,215	7,375,664
Sindh sales tax payable on management remuneration	6.2	1,581,988	1,747,797
Federal excise duty payable on management remuneration	6.3	5,412,371	5,412,371
Payable against allocated expenses	6.4	1,835,074	2,439,657
Payable against selling and marketing expenses	6.5	8,032,294	9,758,628
Sales load payable		<u>982,239</u>	<u>1,088,934</u>
		<u>23,944,181</u>	<u>27,823,051</u>

- 6.1 The Management Company has charged remuneration at the rate of 2% per annum based on the average daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.
- 6.2 During the period, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (2017: 13%).
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.41 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.07 per unit (June 30, 2018: Rs 0.08 per unit).

- 6.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.5 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

7	ACCRUED AND OTHER LIABILITIES	Note	December 31,	June 30,
			2018 (Unaudited)	2018 (Audited)
			----- (Rupees) -----	-----
	Provision against Sindh Workers' Welfare Fund (SWWF)	7.1	45,637,296	45,637,296
	Auditors' remuneration		480,524	676,529
	Brokerage payable		1,598,372	478,097
	Settlement charges		99,589	33,016
	Withholding tax payable		5,512,175	456,125
	Charity payable	7.2	3,019,951	3,345,466
	Shariah advisory fee		533,817	279,746
	Capital value tax payable		79,801	31,198
	Sales tax payable on brokerage		212,245	62,152
	Sales load payable		271,496	292,196
	Annual rating fee		229,248	153,631
	Other liabilities		189,684	87,794
			<u>57,864,198</u>	<u>51,533,246</u>

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- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.62 per unit (June 30, 2018: 0.65 per unit).

- 7.2 According to the instruction of the Shariah Advisory Board, if any income is earned by the Fund from investments, a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 9 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.62% which includes 0.1987% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an shariah compliant equity scheme.

## 10 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 4A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

## 11 EARNINGS PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

## 12.1 Unit Holders' Fund

	December 31, 2018 (Unaudited)									
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018
	Units					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Alfalah GHP Prosperity Planning Fund	859,669	-	210,647	846,835	223,481	53,564,908	-	10,542,030	42,746,325	10,012,615
Alfalah GHP Islamic Prosperity Planning Fund	6,265,545	-	1,535,265	6,595,796	1,205,014	390,398,560	-	76,833,741	320,608,774	53,988,111
<b>Key Management Personnel (Employees)</b>										
Head of Corporate sales	3,628	-	889	-	4,517	226,056	-	44,493	-	202,392
Head of Human Resource	2	-	-	2	-	146	-	29	140	-
Chief Investment Officer	21,871	-	5,359	13,242	13,988	1,362,756	-	268,202	666,530	626,710
Head of Compliance and Risk Management	6	-	1	-	7	374	-	76	-	346
Head of Investment Advisory and Senior Portfolio Manager	7,815	968	1,915	-	10,698	486,943	50,000	95,938	-	479,301
Head of Administration	6,056	-	1,484	7,540	-	377,342	-	74,260	354,848	-
Chief Financial Officer	3,056	-	749	3,805	-	190,416	-	37,486	198,160	-
Chief Operating Officer	-	1,010	-	-	1,010	-	50,000	-	-	45,237
<b>Unit holder holding 10% or more units</b>										
Sindh Province Pension Fund	8,208,772	-	2,011,420	-	10,220,192	511,479,733	-	100,663,348	-	457,894,255
Al Hial Industries (Private) Limited	8,971,743	505,231	2,198,374	883,861	10,791,487	559,018,540	23,681,791	110,019,585	42,500,000	483,489,896

### 12.1.1 This reflects the position of related party / connected persons status as at December 31, 2018.

	December 31, 2017 (Unaudited)									
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 01, 2017	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017
	Units					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Alfalah GHP Prosperity Planning Fund	1,242,817	-	-	276,616	966,201	90,505,546	-	-	17,000,000	59,120,299
Alfalah GHP Islamic Prosperity Planning Fund	44,836,642	-	-	30,699,743	14,136,899	3,265,134,261	-	-	1,936,755,526	865,014,215
<b>Key Management Personnel (Employees)</b>										
Head of Marketing	8,794	4	-	1,061	7,737	640,383	254	-	65,000	473,404
Chief Investment Officer	21,828	1	-	-	21,829	1,589,548	41	-	-	1,335,635
Head of Compliance and Risk Management	6	-	-	-	6	452	-	-	-	380
Head of Investment Advisory and Senior Portfolio Manager	2,930	-	-	-	2,930	213,367	-	-	-	179,296
Head of Administration	9,280	-	-	-	9,280	675,790	-	-	-	567,823
Head of Human Resource	-	2	-	-	2	-	147	-	-	144
Chief Financial Officer	2,446	2,374	-	1,763	3,057	178,159	165,751	-	130,000	187,047
<b>Unit holder holding 10% or more units</b>										
Al Hial Industries (Private) Limited	8,146,119	1,166,537	-	237,283	9,075,373	593,224,003	80,000,000	-	15,000,000	555,307,550



		<b>Half year ended (Unaudited)</b>	
		<b>December 31,</b>	<b>December 31,</b>
		<b>2018</b>	<b>2017</b>
		----- (Rupees) -----	
<b>12.2 Other transactions</b>			
<b>Associated companies / undertakings</b>			
<b>Alfalah GHP Investment Management Limited - Management Company</b>			
Remuneration of the Management Company	40,164,215	69,598,858	
Sindh sales tax on remuneration of the Management Company	5,221,348	9,047,851	
Allocated expenses	2,008,074	3,479,710	
Selling and marketing expenses	8,032,294	23,246,098	
Sales load	3,310,490	2,169,258	
<b>Bank Alfalah Limited - Islamic Banking Division</b>			
Profit on bank balances	50,447	241,193	
Bank charges	-	60,899	
Sales load	403,955	1,894,788	
<b>Other related parties</b>			
<b>Central Depository Company of Pakistan Limited (Trustee)</b>			
Remuneration of the Trustee	2,512,321	3,984,057	
Sindh sales tax on remuneration of the Trustee	326,602	517,927	
Settlement charges	53,619	365,084	
	<b>December 31,</b>	<b>June 30,</b>	
	<b>2018</b>	<b>2018</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	----- (Rupees) -----		
<b>12.3 Other balances</b>			
<b>Associated companies / undertakings</b>			
<b>Alfalah GHP Investment Management Limited - Management Company</b>			
Management remuneration payable	6,100,215	7,375,664	
Sindh sales tax payable on management remuneration	1,581,988	1,747,797	
Federal excise duty payable on management remuneration	5,412,371	5,412,371	
Payable against allocated expenses	1,835,074	2,439,657	
Payable against selling and marketing expenses	8,032,294	9,758,628	
Sales load payable	982,239	1,088,934	
<b>Bank Alfalah Limited</b>			
Bank balances	24,128,925	22,343,839	
Profit receivable	45,917	41,252	
Sales load payable	271,496	292,196	

December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
----- (Rupees) -----	

**Other related parties**

**Central Depository Company of Pakistan Limited - Trustee**

Trustee remuneration payable	<u>389,581</u>	<u>450,615</u>
Sindh sales tax payable on trustee remuneration	<u>50,646</u>	<u>58,580</u>
Security deposit	<u>100,000</u>	<u>100,000</u>

**13 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

**13.1 Fair value hierarchy**

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	-----As at December 31, 2018-----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets classified as 'at fair value through profit or loss'</b>				
- Listed equity securities	<u>2,997,479,142</u>	<u>-</u>	<u>-</u>	<u>2,997,479,142</u>

ASSETS	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
(Rupees)				
<b>Financial assets classified as 'at fair value through profit or loss'</b>				
- Listed equity securities	3,977,217,509	-	-	3,977,217,509

During the period ended December 31, 2018, 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.

#### 14 CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

#### 15 GENERAL

15.1 Figures are rounded off to the nearest Pakistani Rupee.

15.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

#### 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Value Fund**

## FUND INFORMATION

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<b>Board of Directors of the Management Company:</b>	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
<b>Audit Committee:</b>	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
<b>HR Committee:</b>	Syed Ali Sultan Mr. Tufail Jawed Ahmad Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
<b>Risk Committee:</b>	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
<b>Chief Operating Officer and Company Secretary :</b>	Mr. Noman Ahmed Soomro
<b>Chief Financial Officer:</b>	Syed Hyder Raza Zaidi
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited

**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP VALUE FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Value 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Value Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP VALUE FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

		December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	----- (Rupees) -----	
<b>Assets</b>			
Bank balances	4	401,040,683	413,834,710
Investments - net	5	1,283,415,879	1,745,094,605
Security deposits		2,600,000	2,600,000
Receivable against sale of investments		3,460,680	781,226
Dividend, prepayment and other receivables		5,320,944	8,162,350
<b>Total assets</b>		<b>1,695,838,186</b>	<b>2,170,472,891</b>
<b>Liabilities</b>			
Payable to the Management Company	6	15,062,945	16,598,966
Payable to the Trustee		345,153	377,508
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		941,271	2,236,126
Accrued expenses and other liabilities	7	14,111,654	13,893,436
<b>Total liabilities</b>		<b>30,461,023</b>	<b>33,106,036</b>
<b>Net assets attributable to unit holders</b>		<b>1,665,377,163</b>	<b>2,137,366,855</b>
<b>Unit holders' fund (as per the statement attached)</b>		<b>1,665,377,163</b>	<b>2,137,366,855</b>
<b>Contingencies and commitments</b>	8	----- Number of units -----	
<b>Number of units in issue</b>		<b>32,379,034</b>	<b>34,484,056</b>
		----- Rupees -----	
<b>Net asset value per unit</b>		<b>51.4338</b>	<b>61.9813</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**ALFALAH GHP VALUE FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

Note	Half year ended		Quarter ended	
	December 31,		December 31,	
	2018	2017	2018	2017
------(Rupees)-----				
<b>INCOME</b>				
Income from Government securities	4,727,052	5,529,952	2,248,179	2,747,564
Income from term deposit receipts	4,483,568	398,712	4,483,568	398,712
Income from term finance certificates	8,315,570	18,918	6,203,660	18,918
Dividend income	37,060,521	49,803,875	17,948,540	32,427,960
Profit on bank balances	13,800,902	11,635,338	7,201,959	6,473,304
Loss on sale of investments - net	(55,870,219)	(210,807,832)	(60,172,070)	(125,184,540)
Unrealised (loss) / gain on revaluation of investments - net	5.8 (116,313,681)	(176,518,831)	(79,392,200)	18,754,632
<b>Total Income</b>	<b>(103,796,287)</b>	<b>(319,939,868)</b>	<b>(101,478,364)</b>	<b>(64,363,450)</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	6.1 19,816,961	24,017,384	9,410,059	11,813,542
Sindh sales tax on remuneration of the Management Company	6.2 2,576,199	3,122,244	1,223,309	1,535,753
Allocated expenses	6.4 990,836	1,200,865	470,495	590,675
Selling and marketing expenses	6.5 3,963,371	7,424,731	1,882,003	4,983,975
Remuneration of the Trustee	1,495,014	1,705,058	722,586	842,771
Sindh sales tax on remuneration of the Trustee	194,354	221,658	93,936	109,560
Annual fee to the Securities and Exchange Commission of Pakistan	941,295	1,140,824	446,974	561,149
Brokerage expenses	2,161,151	2,698,578	1,170,890	898,824
Bank and settlement charges	367,213	370,229	200,788	241,067
Auditors' remuneration	380,880	333,960	190,440	166,980
Printing charges	17,662	-	8,832	-
Fees and subscription	86,730	86,772	43,362	43,236
<b>Total expenses</b>	<b>32,991,666</b>	<b>42,322,303</b>	<b>15,863,674</b>	<b>21,787,532</b>
<b>Net loss for the period before taxation</b>	<b>(136,787,953)</b>	<b>(362,262,171)</b>	<b>(117,342,038)</b>	<b>(86,150,982)</b>
Taxation	9 -	-	-	-
<b>Net loss for the period after taxation</b>	<b>(136,787,953)</b>	<b>(362,262,171)</b>	<b>(117,342,038)</b>	<b>(86,150,982)</b>
<b>Allocation of net income for the period</b>				
Net loss for the period after taxation	(136,787,953)	(362,262,171)	(117,342,038)	(86,150,982)
Income already paid on units redeemed	-	-	-	-
	<u>(136,787,953)</u>	<u>(362,262,171)</u>	<u>(117,342,038)</u>	<u>(86,150,982)</u>
<b>Accounting income available for distribution</b>				
- Relating to capital gains	-	-	-	-
- Excluding capital gains	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP VALUE FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- (Rupees) -----</u>		<u>----- (Rupees) -----</u>	
<b>Net loss for the period after taxation</b>	(136,787,953)	(362,262,171)	(117,342,038)	(86,150,982)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(136,787,953)</u>	<u>(362,262,171)</u>	<u>(117,342,038)</u>	<u>(86,150,982)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP VALUE FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018				Half year ended December 31, 2017			
	(Rupees)				(Rupees)			
	Capital Value	Undistributed income / (loss)	Unrealised appreciation on remeasurement of investments	Total	Capital Value	Undistributed income / (loss)	Unrealised appreciation on remeasurement of investments	Total
- Capital value	1,818,870,505			1,818,870,505	1,465,756,050	-	-	1,465,756,050
- Undistributed income brought forward								
- Realised gain	-	391,136,500		391,136,500	-	547,528,607	-	547,528,607
- Unrealised (loss) / gain	-	(72,640,150)		(72,640,150)	-	75,911,346	-	75,911,346
<b>Net assets at beginning of the period</b>	<b>1,818,870,505</b>	<b>318,496,350</b>	<b>-</b>	<b>2,137,366,855</b>	<b>1,465,756,050</b>	<b>623,439,953</b>	<b>-</b>	<b>2,089,196,003</b>
<b>[Rs. 61,9813 (June 30, 2017: Rs. 70,4655) per unit]</b>								
Issue of 12,739,149 units (2017: 13,555,958 units)								
- Capital value (at net asset value per unit at the beginning of the period)	706,546,325	-		706,546,325	955,227,358	-	-	955,227,358
- Element of loss	(4,352,007)	-		(4,352,007)	(43,540,282)	-	-	(43,540,282)
Total proceeds on issuance of units	702,194,318	-		702,194,318	911,687,076	-	-	911,687,076
Redemption of 14,844,171 units (2016: 6,072,456 units)								
- Capital value (at net asset value per unit at the beginning of the period)	823,296,372	-		823,296,372	427,898,648	-	-	427,898,648
- Element of income	(10,691,531)	-		(10,691,531)	(45,873,034)	-	-	(45,873,034)
Total payments on redemption of units	812,604,841	-		812,604,841	382,025,614	-	-	382,025,614
Total comprehensive income for the period	-	(136,787,953)		(136,787,953)	-	(362,262,171)	-	(362,262,171)
Bonus distribution for the year ended June 30, 2018 @ Rs 6.5187 per unit on 02 July 2018	-	(224,791,216)		(224,791,216)	-	-	-	-
Net income for the period less distribution	-	(361,579,169)		(361,579,169)	-	(362,262,171)	-	(362,262,171)
<b>Net assets at end of the period</b>	<b>1,708,459,982</b>	<b>(43,082,819)</b>	<b>-</b>	<b>1,665,377,163</b>	<b>1,995,417,512</b>	<b>261,177,782</b>	<b>-</b>	<b>2,256,595,294</b>
<b>[Rs. 51,4338 (December 31, 2017: Rs. 60,7722) per unit]</b>								
<b>Undistributed income carried forward</b>								
- Realised gain		73,230,862				437,696,613		
- Unrealised loss		(116,313,681)				(176,518,831)		
		<u>(43,082,819)</u>				<u>261,177,782</u>		
<b>Accounting income available for distribution</b>								
- Relating to capital gains		-				-		
- Excluding capital gains		-				-		
		<u>-</u>				<u>-</u>		

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

**ALFALAH GHP VALUE FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended	
	December 31	
	2018	2017
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(136,787,953)	(362,262,171)
<b>Adjustments for:</b>		
Unrealised loss on revaluation of investments - net	116,313,681	176,518,831
	(20,474,272)	(185,743,340)
<b>Decrease / (increase) in assets</b>		
Investments - net	470,365,045	85,496,348
Receivable against sale of investments	(2,679,454)	(14,619,032)
Dividend, prepayment and other receivables	2,841,406	(5,505,849)
	470,526,997	65,371,467
<b>(Decrease) / Increase in liabilities</b>		
Payable to the Management Company	(1,536,021)	5,884,278
Payable to the Trustee	(32,355)	(4,414)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(1,294,855)	(325,997)
Accrued expenses and other liabilities	218,218	(49,136,197)
	(2,645,013)	(43,582,330)
<b>Net cash flows generated from / (used in) operating activities</b>	447,407,712	(163,954,203)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	477,403,102	911,687,076
Amount paid against redemption of units	(812,604,841)	(382,025,614)
<b>Net cash flows (used in) / generated from financing activities</b>	(335,201,739)	529,661,462
<b>Net increase in cash and cash equivalents during the period</b>	112,205,973	365,707,259
Cash and cash equivalents at beginning of the period	413,834,710	323,425,477
<b>Cash and cash equivalents at end of the period</b>	12 526,040,683	689,132,736

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP VALUE FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED**  
**INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Value Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on May 19, 2005 and was approved by the Securities and Exchange Commission of Pakistan (the SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP has approved first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGVF/200/2010 dated March 18, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Value Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.

The Fund is categorised as an 'asset allocation scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in equity, debt and money market securities. The Fund invests in listed equity securities, Government Treasury Bills, Pakistan Investment Bonds, and interest bearing accounts. The investment objectives and policies are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018.

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

**2. BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

"These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

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2.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

**3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN**

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements of IFRS 9 relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt and equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

4. BANK BALANCES	Note	2018	2018
		(Un-audited)	(Audited)
		----- (Rupees) -----	
In saving accounts	4.1	401,040,683	413,834,710

4.1 These accounts carry profit rates ranging between 5.30% to 11.45% (June 30, 2018: 4% to 7.40%) per annum. These include bank balance of Rs. 398.076 million (June 30, 2018: Rs. 411.196 million) which is maintained with Bank Alfalah Limited (a related party).

5. INVESTMENTS	Note	December 31,	June 30,
		2018	2018
		(Un-audited)	(Audited)
		----- (Rupees) -----	
<b>'At fair value through profit or loss'</b>			
Listed equity securities	5.1	849,307,973	1,639,491,990
Real estate investment trust	5.2	8,441	9,082
Market Treasury Bills	5.3	-	-
Sukuk certificates	5.4	201,171,662	75,038,760
Term finance certificates	5.5	107,927,803	30,554,773
Term deposit receipt	5.6	125,000,000	-
		1,283,415,879	1,745,094,605

#### 5.1 Listed equity securities

Fully paid ordinary shares with a face value of Rs 10 each unless stated otherwise.

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets of the Fund	Holding as a percentage of paid up capital of the investee company
						Carrying Cost	Market value	Unrealised (loss) / gain		
					----- (Rupees) -----					
----- Number of shares -----										
<b>Fertilizer</b>										
Engro Corporation Limited	279,200	70,000	-	151,900	197,300	62,547,816	57,430,084	(5,117,732)	3.45%	0.04%
Engro Fertilizers Limited	1,448,000	138,000	-	898,500	687,500	51,808,644	47,471,875	(4,336,769)	2.85%	0.05%
Fauji Fertilizer Company Limited	853,500	270,500	-	763,000	361,000	35,372,329	33,518,850	(1,853,479)	2.01%	0.03%
Fauji Fertilizer Bin Qasim Limited	760,000	80,500	-	813,000	27,500	1,074,117	1,024,925	(49,192)	0.06%	0.00%
						150,802,906	139,445,734	(11,357,172)		
<b>Chemicals</b>										
ICI Pakistan Limited	10,180	-	-	10,150	30	24,045	23,831	(214)	0.00%	0.00%
Engro Polymer and Chemicals Limited	523,500	877,000	-	463,000	937,500	31,730,810	34,818,750	3,087,940	2.09%	0.10%
						31,754,855	34,842,581	3,087,726		

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets of the Fund	Holding as a percentage of paid up capital of the investee company
						Carrying Cost	Market value	Unrealised (loss) / gain		
						(Rupees)				
<b>Commercial banks</b>										
Bank Alfalah Limited (a related party)	1,515,500	363,000	141,500	752,000	1,268,000	60,690,737	51,468,120	(9,222,617)	3.08%	0.07%
Bank Al Habib Limited	679,500	48,000	-	372,500	355,000	27,918,776	24,420,450	(3,498,326)	1.47%	0.03%
Faysal Bank Limited	827,500	71,000	-	821,500	77,000	2,001,718	1,853,390	(148,328)	0.11%	0.01%
Meezan Bank Limited	276,000	70,000	21,300	234,500	132,800	10,372,398	12,269,392	1,896,994	0.74%	0.01%
Habib Bank Limited	614,000	230,800	-	519,000	325,800	51,291,085	39,242,610	(12,048,475)	2.36%	0.02%
Habib Metropolitan Bank Limited	121,500	-	-	121,500	-	-	-	-	0.00%	0.00%
MCB Bank Limited	380,900	190,900	-	329,700	242,100	47,717,863	46,863,297	(854,566)	2.81%	0.02%
United Bank Limited	523,700	212,800	-	314,000	422,500	68,783,009	51,815,400	(16,967,609)	3.11%	0.03%
Allied Bank Limited	-	111,000	-	500	110,500	11,064,607	11,875,435	810,828	0.71%	0.01%
Askari Bank Limited	-	93,000	-	-	93,000	2,133,970	2,224,560	90,590	0.13%	0.01%
The Bank of Punjab	1,402,500	1,843,000	-	1,257,000	1,986,500	24,096,420	23,802,345	(294,075)	1.43%	0.08%
						306,070,583	265,834,999	(40,235,584)		
<b>Cement</b>										
D.G. Khan Cement Company Limited	227,100	585,600	-	650,500	162,200	16,195,204	13,000,330	(3,194,874)	0.78%	0.04%
Lucky Cement Limited	101,500	133,450	-	168,000	66,950	31,884,348	29,101,157	(2,783,191)	1.75%	0.02%
Kohat Cement Limited	9,600	60,200	-	9,600	60,200	5,847,361	5,113,388	(733,973)	0.31%	0.03%
Fauji Cement Company Limited	324,000	-	-	324,000	-	-	-	-	0.00%	0.00%
Cherat Cement Company Limited	27,200	-	-	27,200	-	-	-	-	0.00%	0.00%
Maple Leaf Cement Factory Limited	306,100	839,500	-	686,000	459,600	22,250,579	18,682,740	(3,567,839)	1.12%	0.07%
						76,177,492	65,897,815	(10,279,677)		
<b>Power generation and distribution</b>										
Hub Power Company Limited	754,700	83,000	-	447,000	390,700	35,654,309	33,518,153	(2,136,156)	2.01%	0.03%
Kot Addu Power Company Limited	666,000	257,500	-	257,000	656,500	35,623,391	32,529,575	(3,093,816)	1.95%	0.07%
						71,277,700	66,047,728	(5,229,972)		
<b>Oil and gas marketing companies</b>										
Pakistan State Oil Company Limited	98,900	30,700	19,900	61,900	87,600	23,201,961	19,747,668	(3,454,293)	1.16%	0.02%
Hassco Petroleum Limited	4,412	-	1,103	-	5,515	1,384,309	818,426	(565,883)	0.05%	0.00%
Hi-Tech Lubricants Limited	2,000	-	-	2,000	-	-	-	-	0.00%	0.00%
Sui Northern Gas Pipelines Limited	177,100	142,000	-	225,000	94,100	7,721,362	7,252,287	(469,075)	0.44%	0.01%
						32,307,632	27,818,381	(4,489,251)		
<b>Oil and gas exploration companies</b>										
Mari Petroleum Company Limited	47,274	7,580	4,895	29,000	30,749	42,185,142	38,001,459	(4,183,683)	2.28%	0.03%
Oil and Gas Development Company Limited	888,700	171,600	-	671,900	388,400	59,264,323	49,715,200	(9,549,123)	2.98%	0.01%
Pakistan Oilfields Limited	132,400	16,350	20,220	116,800	52,170	28,837,192	22,162,859	(6,674,333)	1.33%	0.02%
Pakistan Petroleum Limited	610,500	93,800	70,830	418,600	356,530	65,908,943	53,358,280	(12,550,663)	3.20%	0.02%
						196,195,600	163,237,798	(32,957,802)		
<b>Automobile assembler</b>										
Pak Suzuki Motor Company Limited	100	-	-	-	100	39,338	17,414	(21,924)	0.00%	0.00%
Milat Tractors Limited	4,500	-	-	3,640	860	1,021,732	715,511	(306,221)	0.04%	0.00%
Indus Motors Company Limited	5,960	360	-	5,830	490	578,776	597,643	18,867	0.04%	0.00%
						1,639,846	1,330,568	(309,278)		
<b>Automobile parts and accessories</b>										
Thal Limited (face value of Rs. 5 each)	50	-	-	-	50	23,877	21,383	(2,494)	0.00%	0.00%
						23,877	21,383	(2,494)		
<b>Textile composite</b>										
Gul Ahmed Textile Mills Limited	39,800	435,500	-	61,500	413,800	20,508,404	19,105,146	(1,403,258)	1.15%	0.12%
Nishat Chunian Limited	-	99,500	-	-	99,500	6,046,425	4,833,710	(1,212,715)	0.29%	0.04%
Nishat Mills Limited	161,500	228,000	-	64,500	325,000	45,255,561	41,122,250	(4,133,311)	2.47%	0.09%
Kohinoor Textile Mills Limited	1,302	-	-	-	1,302	71,597	58,694	(12,903)	0.00%	0.00%
						71,883,967	65,119,800	(6,764,167)		



Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	As at December 31, 2018			Market value as a percentage of net assets of the Fund	Holding as a percentage of paid up capital of the investee company
						Carrying Cost	Market value	Unrealised (loss) / gain		
					(Rupees)					
<b>Food and personal care products</b>										
Al Tahir Limited	-	115,264	-	115,000	264	5,543	5,016	(527)	0.00%	0.00%
Fauji Foods Limited	425,000	134,500	-	559,500	-	-	-	-	0.00%	0.00%
						5,543	5,016	(527)		
<b>Engineering</b>										
Amreli Steels Limited	-	171,000	-	171,000	-	-	-	-	0.00%	0.00%
Crescent Steel and Allied Products Limited	25,500	-	-	25,500	-	-	-	-	0.00%	0.00%
International Industries Limited	136,700	2,500	-	110,400	28,800	6,473,730	4,436,640	(2,037,090)	0.27%	0.02%
International Steels Limited	349,500	3,000	-	314,000	38,500	3,920,292	2,532,145	(1,388,147)	0.15%	0.01%
Mughal Iron and Steel Industries Limited	253,500	71,000	-	186,000	138,500	8,287,166	5,602,325	(2,684,841)	0.34%	0.06%
						18,681,188	12,571,110	(6,110,078)		
<b>Pharmaceuticals</b>										
The Searle Company Limited	32,936	-	470	29,800	3,606	1,064,672	885,598	(179,074)	0.05%	0.00%
						1,064,672	885,598	(179,074)		
<b>Miscellaneous</b>										
Synthetic Products Enterprises Limited	34,700	-	-	17,000	17,700	904,470	591,357	(313,113)	0.04%	0.02%
<b>Technology &amp; Communication</b>										
Systems Limited	-	53,500	-	2,000	51,500	5,719,540	5,668,305	(61,235)	0.34%	0.05%
<b>As at December 31, 2018</b>						<b>964,509,891</b>	<b>849,307,973</b>	<b>(115,201,918)</b>		
<b>As at June 30, 2018</b>						<b>1,712,836,377</b>	<b>1,639,491,990</b>	<b>(73,344,387)</b>		

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at December 31, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of investee Company	December 31, 2018		June 30, 2018	
	Bonus Shares			
	Number	Market value	Number	Market value
Rupees				
Hascol Petroleum Limited	3,478	516,135	2,782	872,880
Kohinoor Textile Mills Limited	1,260	56,801	1,260	69,287
Mari Petroleum Company Limited	59	72,916	54	81,334
The Searle Company Limited	3,179	780,731	2,764	938,378
Synthetic Products Enterprises Limited	1,245	41,595	1,245	63,620
Pakistan State Oil Company Limited	1,920	432,826	1,600	509,296
Faysal Bank Limited	5,100	122,757	5,100	132,600
	<u>16,241</u>	<u>2,023,761</u>	<u>14,805</u>	<u>2,667,395</u>

5.1.2 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

Name of investee Company	December 31, 2018	June 30, 2018	December 31, 2018	June 30, 2018
	Number of shares		Rupees	
Oil and Gas Development Company Limited	320,000	320,000	40,960,000	49,798,400
Lucky Cement Limited	-	20,000	-	10,158,600
	<u>320,000</u>	<u>340,000</u>	<u>40,960,000</u>	<u>59,957,000</u>

5.2 Real estate investment trust

Name of the investee company	Number of shares / certificates					As at December 31, 2018			Market value as a percentage of net assets of the Fund	Holding as a percentage of Paid up capital of the investee company
	As at July 1, 2018	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at December 31, 2018	Carrying value	Market value	Unrealised loss		
Dolmen City REIT (face value of Rs. 10 each)	704	-	-	-	704	9,082	8,441	(641)	0.00%	0.00%
<b>Total as at December 31, 2018</b>						<u>9,082</u>	<u>8,441</u>	<u>(641)</u>		
<b>Total as at June 30, 2018</b>						<u>8,328</u>	<u>9,082</u>	<u>754</u>		

5.3 Market Treasury Bills

Tenor	Units					Carrying Value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain	Market value as a percentage of	
	As at July 1, 2018	Purchased during the period	Sold during the period	Matured during the period	As at December 31, 2018				Net assets of the fund	Total market value of investments
Treasury Bills - 3 months	-	8,700,000	8,700,000	-	-	-	-	-	0.00%	0.00%
<b>Total as at December 31, 2018</b>						<u>-</u>	<u>-</u>	<u>-</u>		
<b>Total as at June 30, 2018</b>						<u>-</u>	<u>-</u>	<u>-</u>		

5.4 Sukuk certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity	As at July 01, 2018	Purchased during the period	Matured / sold during the period	As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	Unrealised loss	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a % of issue size
Dawood Hercules Corporation	3 Months Kibor + 1.00%	Secured	March 1, 2023	600	-	-	600	60,038,760	60,000,060	(38,700)	3.60%	4.68%	1.00%
International Brands Limited	12 Month Kibor + 0.50%	Secured	November 15, 2021	150	1,280	-	1,430	141,419,400	141,171,602	(247,798)	8.48%	11.00%	5.05%
<b>Total as at December 31, 2018</b>								<u>201,458,160</u>	<u>201,171,662</u>	<u>(286,498)</u>			
<b>Total as at June 30, 2018</b>								<u>75,030,000</u>	<u>75,038,760</u>	<u>8,760</u>			

## 5.5 Term finance certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity	As at July 01, 2018	Purchased during the period	Matured / sold during the period	As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	Unrealised loss	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a % of issue size
The Bank Of Punjab	6 Month Kibor + 1.00%	Unsecured	December 23, 2026	250	650	-	900	89,672,069	88,866,650	(805,219)	5.34%	6.92%	3.60%
TPL Corp Limited	3 Months Kibor + 1.50%	Secured	December 19, 2019	50	-	-	50	3,339,507	3,332,083	(7,424)	0.20%	0.26%	0.28%
The Bank Of Punjab	6 Month Kibor + 1.00%	Unsecured	April 23, 2028	-	160	-	160	15,740,851	15,728,870	(11,981)	0.94%	1.23%	0.37%
Agriotech Limited (refer note 5.5.1)				1,141	-	-	1,141	-	-	-	0.00%	0.00%	0.00%
<b>Total as at December 31, 2018</b>								<u>108,752,427</u>	<u>107,927,603</u>	<u>(824,824)</u>			
<b>Total as at June 30, 2018</b>								<u>29,860,050</u>	<u>30,554,773</u>	<u>694,723</u>			

5.5.1 This represents additional TFCs of Agriotech Limited (Formerly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lender and Agriotech Limited. Under such agreement, outstanding mark-up due on May 29, 2011 amounting to Rs. 7.61 million was settled in the form of zero coupon TFCs valuing Rs. 7.61 million. This investment has been recorded as 100% impaired since these securities have been received in lieu of suspended overdue mark-up to be recognized in income upon realisation.

## 5.6 Term deposit receipt

Name of the bank	Maturity date	Profit rate	As at July 1, 2018	Placed during the period	Matured during the period	As at December 31, 2018	Market value as a percentage of net assets of the Fund
JS Bank Limited	September 18, 2018	8.15%	203,000,000	-	203,000,000	-	0.00%
JS Bank Limited	October 10, 2018	8.75%	190,000,000	-	190,000,000	-	0.00%
JS Bank Limited	December 3, 2018	9.20%	155,000,000	-	155,000,000	-	0.00%
JS Bank Limited	January 31, 2019	11.15%	125,000,000	-	-	125,000,000	9.74%
<b>As at December 31, 2018</b>			<u>673,000,000</u>	<u>-</u>	<u>548,000,000</u>	<u>125,000,000</u>	
<b>As at June 30, 2018</b>			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

## 5.7 Non compliant investments

Name of non compliant investment	Type of investment	Value of Investment before provision	Provision balance as on July 1, 2018	Provision during the period	Provision held, if any	Value of investment after provision	Fair value as a percentage of:		Credit rating
							Net assets	Gross assets	
----- (Rupees) -----									
Agriotech Limited	Term finance certificates	5,705,000	(5,705,000)	-	(5,705,000)	-	-	-	CCC

5.7.1 At the time of purchase / investment, the TFCs were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in the NBFC Regulations or the NBFC Rules. However, subsequently they defaulted or were downgraded upon default to non investment grade and became non-compliant with investment restriction parameters laid down in the NBFC Regulations or the NBFC Rules and with the requirements of Constitutive Documents. Disclosure of the non-compliance has been made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

5.8 Unrealised loss on revaluation of investments classified as at 'fair value through profit or loss' - net	Note	December 31,	June 30,
		2018 (Un-audited)	2018 (Audited)
		------(Rupees) -----	
Market value of investments		1,283,415,879	1,745,094,605
Less: cost of investments		<u>(1,399,729,560)</u>	<u>(1,817,734,755)</u>
		<u>(116,313,681)</u>	<u>(72,640,150)</u>

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	6.1	2,984,433	3,611,750
Sindh sales tax payable on management remuneration	6.2	1,004,092	1,085,642
Federal excise duty payable on remuneration of the Management Company	6.3	5,888,310	5,888,310
Allocated expenses	6.4	852,786	1,152,944
Selling and marketing expenses	6.5	3,963,371	4,611,779
Sales load payable		<u>369,953</u>	<u>248,541</u>
		<u>15,062,945</u>	<u>16,598,966</u>

6.1 The Management company has charged remuneration at the rate of 2% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).

6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.888 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.18 per unit (June 30, 2018: Re 0.17 per unit).

- 6.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.5 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
			2018 (Un-audited)	2018 (Audited)
			(Rupees)	
	Provision against Sindh Workers' Welfare Fund (SWWF)	7.1	12,040,338	12,040,338
	Auditors' remuneration		399,373	583,693
	Withholding tax		532,279	480,038
	Brokerage expense		335,610	283,540
	Sales load payable		260,775	260,774
	Printing charges		86,812	82,757
	Rating fee payable		144,600	71,704
	Settlement charges		32,228	31,443
	Capital value tax		6,900	10,558
	Others		272,739	48,591
			14,111,654	13,893,436

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF to be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.37 per unit (June 30, 2018: Re 0.35 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

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**9 TAXATION**

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

**10 EARNINGS PER UNIT (EPU)**

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

**11 TOTAL EXPENSE RATIO (TER)**

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.67% which includes 0.21% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

	Half yearly ended	
	December 31, 2018	December 31, 2017
<b>12 CASH AND CASH EQUIVALENTS</b>	----- (Rupees) -----	
Bank balances	401,040,683	689,132,736
Term deposit receipt	125,000,000	-
	<u>526,040,683</u>	<u>689,132,736</u>

**13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS**

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.

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

### 13.1 Unit Holders' Fund

	Half year ended December 31, 2018 (Un-audited)									
	As at July 1, 2018	Issued for cash	Bonus	Redeemed	As at December 31, 2018	As at July 1, 2018	Issued for cash	Bonus	Redeemed	As at December 31, 2018
	Units					(Rupees)				
<b>Other related parties</b>										
MAB Investment Inc.	2,050	-	241	-	2,291	113,701	-	13,364	-	117,835
Bank Alfalah Limited - Employees Provident Fund	2,816,302	-	331,009	-	3,147,311	156,199,440	-	18,358,629	-	161,878,165
<b>Key management personnel</b>										
Head of Marketing	742	-	1	-	743	538	-	63	-	38,215
Chief Executive Officer	14,191	-	1,668	-	15,859	787,089	-	92,509	-	815,689
Chief Financial Officer	61	-	7	68	136	3,368	-	396	3,812	-
Head of Corporate Sales	4,139	-	486	-	4,625	229,562	-	26,981	-	237,881

13.1.1 This reflects the position of related party / connected persons as at December 31, 2018.

	Half year ended December 31, 2017 (Un-audited)									
	As at July 1, 2017	Issued for cash	Bonus	Redeemed	As at December 31, 2017	As at July 1, 2017	Issued for cash	Bonus	Redeemed	As at December 31, 2017
	Units					(Rupees)				
<b>Other related parties</b>										
MAB Investment Inc.	-	2,050	-	-	2,050	-	-	-	-	124,583
Bank Alfalah Limited - Employees Provident Fund	2,816,302	-	-	-	2,816,302	198,452,140	-	-	-	171,152,868
<b>Key management personnel</b>										
Head of Marketing	10,718	27	-	3,549	7,196	755,275	1,638	-	220,000	437,317
Chief Executive Officer	14,191	-	-	-	14,191	1,000,000	-	-	-	862,418
Chief Financial Officer	-	61	-	-	61	-	3,729	-	-	3,707
Head of Human Resource	1,549	-	-	-	1,549	109,119	-	-	-	94,136
<b>Unit holder holding 10% or more Units</b>										
The Nishat Mills Limited Employees Provident Fund Trust	-	4,758,110	-	-	4,758,110	-	337,881,500	-	-	289,160,813

### 13.2 Other transactions

Half year ended (Un-audited)	
December 31, 2018	December 31, 2017
(Rupees)	

#### Associated companies / undertakings

##### Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	19,816,961	24,017,384
Sindh sales tax on remuneration of the Management Company	2,576,199	3,122,244
Allocated expenses	990,836	1,200,865
Selling and Marketing Expenses	3,963,371	7,424,731
Sales load	7,020,254	11,422,269

##### Bank Alfalah Limited

Profit on bank balances	3,004,278	10,665,368
Bank charges	15,907	30,927
Sales load	590,203	6,098,425

	<b>Half year ended (Un-audited)</b>	
	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	----- (Rupees) -----	
<b>Alfalah GHP Income Fund</b>		
Sukuk certificates - purchased	16,784,100	-
Term finance certificates - purchased	29,592,234	-
<b>Alfalah GHP Income Multiplier Fund</b>		
Sukuk certificates - purchased	20,733,300	-
Term finance certificates - purchased	14,796,117	-
<b>Alfalah GHP Islamic Income Fund</b>		
Sukuk certificates - purchased	64,174,500	-
<b>Alfalah GHP Sovereign Fund</b>		
Market Treasury Bills - sold	392,822,400	-
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	1,495,014	1,705,058
Sindh sales tax on remuneration of the Trustee fee	194,354	221,658
Settlement charges	92,000	103,331
	<b>December 31, 2018</b>	<b>June 30, 2018</b>
	(Un-audited)	(Audited)
	----- (Rupees) -----	
<b>13.3 Other balances</b>		
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	2,984,433	3,611,750
Sindh sales tax payable on management remuneration	1,004,092	1,085,642
Federal excise duty payable on remuneration of the Management Company	5,888,310	5,888,310
Allocated expenses	852,786	1,152,944
Selling and marketing expenses	3,963,371	4,611,779
Sales load payable	369,953	248,541
<b>Bank Alfalah Limited</b>		
Bank balance	398,076,251	411,196,492
Profit receivable on bank balance	4,675	26,928
Sales load payable	260,775	260,774
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	280,536	343,252
Sindh sales tax payable on trustee remuneration	64,617	34,256
Security deposit	100,000	100,000



## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

ASSETS	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Investments 'at fair value through profit or loss'</b>				
Listed equity securities	849,307,973	-	-	849,307,973
Real estate investment trust	-	8,441	-	8,441
Sukuk certificates	-	201,171,662	-	201,171,662
Term finance certificates	-	107,927,803	-	107,927,803
Term deposit receipt *	-	-	125,000,000	125,000,000
	<u>849,307,973</u>	<u>309,107,906</u>	<u>125,000,000</u>	<u>1,283,415,879</u>
ASSETS	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Investments 'at fair value through profit or loss'</b>				
Listed equity securities	1,639,491,990	-	-	1,639,491,990
Real estate investment trust	-	9,082	-	9,082
Sukuk certificates	-	75,038,760	-	75,038,760
Term finance certificates	-	30,554,773	-	30,554,773
	<u>1,639,491,990</u>	<u>105,602,615</u>	<u>-</u>	<u>1,745,094,605</u>

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\*The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

During the half year ended December 31, 2018, 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.

## 15 CORRESPONDING FIGURES

Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 16 GENERAL

16.1 Figures are rounded off to the nearest Pakistani Rupee.

16.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on **February 20, 2019**.

For Alfalah GHP Investment Management Limited  
(Management Company)

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Chief Executive Officer

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Chief Financial Officer

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Director

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**Alfalah**  
**GHP Prosperity Planning Fund**

## FUND INFORMATION

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<b>Management Company:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<b>Ms. Maheen Rahman (CEO)</b> <b>Syed Ali Sultan</b> <b>Mr. Hanspeter Beier</b> <b>Mr. Muhammad Tauqir Zafar</b> <b>Mr. Abid Naqvi</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Mr. Adeel Bajwa</b> <b>Ms. Mehreen Ahmed</b>
<b>Audit Committee:</b>	<b>Mr. Abid Naqvi</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b>
<b>HR Committee:</b>	<b>Syed Ali Sultan</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Ms. Maheen Rahman (CEO)</b> <b>Mr. Adeel Bajwa</b>
<b>Risk Committee:</b>	<b>Mr. Tufail Jawed Ahmad</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b> <b>Ms. Maheen Rahman (CEO)</b>
<b>Chief Operating Officer and Company Secretary :</b>	<b>Mr. Noman Ahmed Soomro</b>
<b>Chief Financial Officer:</b>	<b>Syed Hyder Raza Zaidi</b>
<b>Trustee:</b>	<b>Central Depository Company of Pakistan Limited</b> CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	<b>Bank Alfalah Limited</b>
<b>Auditors:</b>	<b>A.F. Ferguson &amp; Co.</b> Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	<b>Ahmed &amp; Qazi</b> Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Registrar:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	<b>Bank Alfalah Limited</b>
<b>Rating:</b>	<b>Not Yet Rated</b>

**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP PROSPERITY PLANNING FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Prosperity Planning 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

# AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

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## **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalsh GHP Prosperity Planning Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalsh GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

## **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## **Other matter**

The condensed interim financial statements of the Fund for the half year ended December 31, 2017 were reviewed and the financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 26, 2018 and September 24, 2018 respectively.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP PROSPERITY PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

Note	(Un-audited)			Total
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	
	(Rupees)			
<b>Assets</b>				
Bank balances	1,524,782	3,591,387	2,897,210	8,013,379
Investments - net	313,073,296	274,038,342	394,518,414	981,630,052
Deferred formation cost	39,825	1,128,550	350,393	1,518,768
Mark-up receivable on bank balances	10,500	44,350	8,645	63,495
Prepayments and other receivable	94,626	120,814	114,491	329,931
<b>Total assets</b>	<b>314,743,029</b>	<b>278,923,443</b>	<b>397,889,153</b>	<b>991,555,625</b>
<b>Liabilities</b>				
Payable to the Management Company	438,151	403,779	321,378	1,163,308
Payable to the Trustee	42,739	34,048	45,412	122,199
Annual fee payable to the Securities and Exchange Commission of Pakistan	161,772	126,689	180,031	468,492
Accrued expenses and other liabilities	1,792,537	1,646,111	3,245,015	6,683,663
<b>Total liabilities</b>	<b>2,435,199</b>	<b>2,210,627</b>	<b>3,791,836</b>	<b>8,437,662</b>
<b>Net assets attributable to unit holders</b>	<b>312,307,830</b>	<b>276,712,816</b>	<b>394,097,317</b>	<b>983,117,963</b>
<b>Unit holders' fund</b> (as per statement attached)	<b>312,307,830</b>	<b>276,712,816</b>	<b>394,097,317</b>	<b>983,117,963</b>
<b>Contingencies and commitments</b>		<b>Number of units</b>		
<b>Number of units in issue</b>	3,112,386	2,664,054	4,064,152	
<b>Net assets value per unit</b>	100.3435	103.8691	96.9691	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP PROSPERITY PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

		June 30, 2018 ----- (Audited) -----			
Note	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	----- (Rupees) -----				
<b>Assets</b>					
4	4,657,737	14,193,911	1,915,612	20,767,260	
5	499,830,491	369,622,224	547,944,703	1,417,397,418	
	52,337	1,456,254	454,353	1,962,944	
	526	-	248	774	
	96,207	167,158	114,544	377,909	
	<b>504,637,298</b>	<b>385,439,547</b>	<b>550,429,460</b>	<b>1,440,506,305</b>	
<b>Liabilities</b>					
6	499,018	455,569	387,552	1,342,139	
	51,780	34,387	46,328	132,495	
7	384,952	313,917	524,735	1,223,604	
	1,766,769	1,284,722	3,165,259	6,216,750	
	2,702,519	2,088,595	4,123,874	8,914,988	
	<b>501,934,779</b>	<b>383,350,952</b>	<b>546,305,586</b>	<b>1,431,591,317</b>	
	<b>501,934,779</b>	<b>383,350,952</b>	<b>546,305,586</b>	<b>1,431,591,317</b>	
<b>Contingencies and commitments</b>					
-----Number of units-----					
	4,691,412	3,453,006	5,245,783		
----- (Rupees) -----					
	106,9901	111,0195	104,1419		
<b>Net assets value per unit</b>					

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
 (Management Company)

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Director



**ALFALAH GHP PROSPERITY PLANNING FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

Note	December 31, 2018			December 31, 2017		
	Active Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)			(Rupees)		
<b>Income</b>						
Profit on bank balances	74,956	245,524	390,284	598,940	444,938	1,520,764
Dividend income	43,756,818	38,326,763	107,808,515	-	-	(7,018,524)
(Loss) / gain on sale of investments - net	(26,736,012)	(13,197,853)	(64,857,189)	1,049,830	(8,143,755)	(7,018,524)
Unrealised (loss) / gain on revaluation of investments - net	(84,532,146)	(9,610,894)	(68,472,821)	(52,823,563)	(31,637,305)	(89,551,070)
Reversal of provision against Sindh Workers Welfare Fund	(17,436,384)	3,161,711	(25,131,211)	(51,174,793)	(4,537,915)	(39,336,122)
<b>Total Income</b>						
	(7,436,384)	3,161,711	(25,131,211)	(51,174,793)	(4,537,915)	(39,336,122)
<b>Expenses</b>						
Remuneration of the Management Company	13,292	28,447	43,676	56,810	76,608	176,619
Sindh sales tax on remuneration of the Management Company	1,734	3,708	5,693	7,396	9,245	22,252
Remuneration of the Trustee	208,586	165,365	608,243	257,691	224,794	888,915
Sindh sales tax on remuneration of the Trustee	27,116	21,496	79,067	33,500	29,223	115,362
Annual fee to the Securities and Exchange Commission of Pakistan	161,772	126,689	488,492	193,266	168,597	666,686
Allocated expenses	215,697	168,907	624,647	257,688	224,793	888,909
Amortisation of deferred formation cost	12,523	32,875	44,858	12,512	32,704	44,416
Auditors' remuneration	75,723	95,397	237,987	54,818	81,414	292,798
Annual listing fee	2,576	3,898	7,360	2,583	3,906	7,384
Annual rating fee	24,472	37,019	131,018	24,472	37,016	69,527
Printing charges	6,597	9,963	35,298	6,599	9,961	35,301
Provision against Sindh Workers Welfare Fund	-	44,012	44,012	-	-	-
Bank charges	-	-	-	7,117	25	7,167
<b>Total expenses</b>						
	750,088	1,005,136	2,737,825	914,452	1,193,286	3,683,245
<b>Net (loss) / income for the period before taxation</b>						
	(18,186,472)	2,156,575	(27,869,036)	(52,089,245)	(5,731,201)	(98,732,075)
Taxation	-	-	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>						
	(18,186,472)	2,156,575	(27,869,036)	(52,089,245)	(5,731,201)	(98,732,075)
<b>Allocation of net income for the year</b>						
Net (loss) / income for the period after taxation	(18,186,472)	2,156,575	(27,869,036)	(52,089,245)	(5,731,201)	(98,732,075)
Income already paid on units redeemed	-	(661,707)	(661,707)	-	-	-
	(18,186,472)	1,494,868	(28,530,743)	(52,089,245)	(5,731,201)	(98,732,075)
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	-	1,494,868	1,494,868	-	-	-
	-	1,494,868	1,494,868	-	-	-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP PROSPERITY PLANNING FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

Note	Quarter ended							
	December 31, 2018			December 31, 2017				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
		(Rupees)		(Rupees)			(Rupees)	
<b>Income</b>								
Profit on bank balances	36,687	94,461	43,251	174,399	143,425	50,639	122,311	316,375
Dividend income	1,379,484	1,925,092	771,960	4,076,536				
(Loss) / gain on sale of investments - net	(13,971,218)	(4,383,022)	(5,449,685)	(23,803,925)	835,031	(128,866)	(7,967,961)	(7,261,836)
Unrealised (loss) / gain on revaluation of investments - net	(3,792,452)	660,982	(6,464,313)	(9,595,783)	(12,011,005)	1,348,663	2,411,711	(6,250,611)
Reversal of provision against Sindh Workers Welfare Fund		43,340		43,340				
<b>Total Income</b>	(16,347,499)	(1,659,147)	(11,096,787)	(29,105,433)	(11,032,549)	1,270,436	(5,433,959)	(15,196,072)
<b>Expenses</b>								
6.1 Remuneration of the Management Company	11,657	11,323	-	22,980	11,671	14,409	9,131	35,211
6.2 Sindh sales tax on remuneration of the Management Company	1,520	1,480	-	3,000	1,519	1,273	1,187	3,979
Remuneration of the Trustee	94,647	80,264	113,890	288,801	129,799	105,964	183,147	418,310
Sindh sales tax on remuneration of the Trustee	12,304	10,534	14,806	37,544	16,876	14,034	23,807	54,777
6.4 Annual fee to the Securities and Exchange Commission of Pakistan	69,315	58,315	83,286	210,916	97,352	79,026	137,364	313,742
Allocated expenses	92,423	77,746	111,045	281,214	129,797	105,363	183,147	418,307
Amortisation of deferred formation cost	6,267	16,490	52,600	75,357	6,256	163,852	51,980	222,088
Auditors' remuneration	33,843	34,556	49,877	118,276	40,850	60,332	117,005	218,187
Annual listing fee	1,288	1,947	3,680	6,915	1,288	1,946	3,680	6,914
Annual rating fee	12,236	18,507	34,765	65,508	12,236	18,508	34,764	65,508
Printing charges	3,299	4,981	9,371	17,651	3,300	4,980	9,370	17,650
Provision against Sindh Workers Welfare Fund	-	-	-	-	-	-	-	-
Bank charges	-	-	-	-	7,092	-	-	7,092
<b>Total expenses</b>	338,799	464,456	473,320	1,276,575	458,036	569,087	754,562	1,781,705
<b>Net (loss) / income for the period before taxation</b>	(16,686,296)	(2,123,603)	(11,572,107)	(30,382,008)	(11,490,585)	701,349	(6,188,541)	(16,977,777)
Taxation								
<b>Net (loss) / income for the period after taxation</b>	(16,686,296)	(2,123,603)	(11,572,107)	(30,382,008)	(11,490,585)	701,349	(6,188,541)	(16,977,777)
<b>Allocation of net income for the year</b>								
Net (loss) / income for the period after taxation	(16,686,296)	(2,123,603)	(11,572,107)	(30,382,008)	(11,490,585)	701,349	(6,188,541)	(16,977,777)
Income already paid on units redeemed		(650,501)		(650,501)				
<b>Accounting income available for distribution</b>	(16,686,296)	(2,704,104)	(11,572,107)	(30,962,509)	(11,490,585)	701,349	(6,188,541)	(16,977,777)
- Relating to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

ALFALAH GHP PROSPERITY PLANNING FUND  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	December 31, 2018				December 31, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)							
Net (loss) / income for the period after taxation	(18,186,472)	2,156,575	(11,839,139)	(27,869,036)	(52,089,245)	(5,731,201)	(40,911,629)	(98,732,075)
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(18,186,472)</b>	<b>2,156,575</b>	<b>(11,839,139)</b>	<b>(27,869,036)</b>	<b>(52,089,245)</b>	<b>(5,731,201)</b>	<b>(40,911,629)</b>	<b>(98,732,075)</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
 (Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP PROSPERITY PLANNING FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Quarter ended					
	December 31, 2018			December 31, 2017		
	Active Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)					
Net (loss) / income for the period after taxation	(16,686,298)	(2,123,603)	(11,572,107)	(30,382,008)	(11,490,585)	(6,188,541)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(16,686,298)</b>	<b>(2,123,603)</b>	<b>(11,572,107)</b>	<b>(30,382,008)</b>	<b>(11,490,585)</b>	<b>(6,188,541)</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer	Director
Chief Financial Officer	Director

**ALFALAH GHP PROSPERITY PLANNING FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018								
	Active Allocation Plan		Conservative Allocation Plan		Moderate Allocation Plan				
	Capital value	Undistributed income / (loss) / Total	Capital value	Undistributed income / (loss) / Total	Capital value	Undistributed income / (loss) / Total			
496,828,720	-	496,828,720	336,604,013	-	336,604,013	513,598,008	-	513,598,008	1,347,030,741
Undistributed income brought forward									
- Realised	-	44,447,452	44,447,452	43,182,909	43,182,909	48,591,523	48,591,523	48,591,523	136,221,864
- Unrealised	-	(39,341,993)	(39,341,993)	3,564,030	3,564,030	(15,885,945)	(15,885,945)	(15,885,945)	(51,661,308)
<b>Net assets at beginning of the period</b> <b>[June 30, 2018: AAP Rs 106,990 per unit, CAP Rs 111,0195 per unit and MAP Rs 104,1419 per unit]</b>	496,828,720	5,106,059	501,934,779	336,604,013	46,746,939	383,350,952	513,598,008	32,707,578	546,305,586
Issuance of 993,612									
- Capital value (at net asset value per unit at the beginning of the period)	3,974,685	-	3,974,685	75,468,871	-	75,468,871	22,908,891	-	22,908,891
- Element of (loss) / income	(68)	-	(68)	532,544	-	532,544	(388)	-	(388)
Total proceeds on issuance of units	3,974,617	-	3,974,617	76,021,415	-	76,021,415	22,908,523	-	22,908,523
Redemption of 4,543,221									
- Capital value (at net asset value per unit at the beginning of the period)	171,311,775	-	171,311,775	157,033,609	-	157,033,609	140,808,960	-	140,808,960
- Element of (loss) / (income)	128,932	-	128,932	666,641	-	666,641	(426,528)	-	(426,528)
Total payments on redemption of units	171,440,707	-	171,440,707	157,700,250	-	157,700,250	140,382,432	-	140,382,432
Total comprehensive (loss) / income for the period	-	(18,186,472)	(18,186,472)	-	2,156,575	2,156,575	-	(11,839,139)	(11,839,139)
Bonus distribution for the year ended June 30, 2018	-	(3,574,387)	(3,574,387)	-	(23,973,307)	(23,973,307)	-	(22,896,221)	(22,896,221)
- AAP Rs 0.7619 per unit, CAP Rs 6.7690 per unit and MAP Rs 4.3645 per unit									
Final distribution for the year ended June 30, 2018	-	(21,760,859)	(21,760,859)	-	(3,980,772)	(3,980,772)	-	-	-
on July 02, 2018 - CAP Rs 0.8922 per unit									
- Reaching dividend	-	-	-	-	-	-	-	-	-
- Refund of capital	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(21,760,859)	(21,760,859)	(24,927,594)	(24,927,594)	(24,927,594)	-	(34,734,360)	(34,734,360)
<b>Net assets at end of the period</b> <b>[December 31, 2018: AAP Rs 100,3435 per unit, CAP Rs 103,8691 per unit and MAP Rs 96,8691 per unit]</b>	328,962,690	(16,654,600)	312,308,090	294,925,178	21,787,638	276,712,816	396,124,099	(2,026,762)	384,097,317
Undistributed income carried forward									
- Realised	17,877,346		17,877,346	31,986,532		31,986,532	25,302,998		25,302,998
- Unrealised	(36,532,146)		(36,532,146)	(19,510,894)		(19,510,894)	(24,329,781)		(24,329,781)
<b>Accounting income available for distribution</b>	(18,654,800)		(18,654,800)	21,787,638		21,787,638	(2,026,762)		(2,026,762)
- Relating to capital gains	-		-	1,494,869		1,494,869	-		-
- Excluding capital gains	-		-	1,892,869		1,892,869	-		-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP PROSPERITY PLANNING FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2017							
	Active Allocation Plan		Conservative Allocation Plan		Moderate Allocation Plan			
	Capital value	Undistributed income / (loss)	Capital value	Undistributed income / (loss)	Capital value	Undistributed income / (loss)		
Capital value	275,578,831	-	436,862,997	-	863,770,992	-	863,770,992	1,576,202,820
Undistributed income brought forward	-	-	-	-	-	-	-	-
- Realised	-	34,288,636	-	38,408,870	-	62,338,347	-	62,338,347
- Unrealised	-	13,720,026	-	5,327,230	-	(1,884,436)	-	(1,884,436)
<b>Net assets at beginning of the period</b>	<b>275,578,831</b>	<b>48,008,662</b>	<b>436,862,997</b>	<b>43,736,100</b>	<b>863,770,992</b>	<b>60,443,911</b>	<b>924,214,903</b>	<b>1,728,391,493</b>
<b>June 30, 2017: AAP Rs 117,4231 per unit, CAP Rs 109,9390 per unit and MAP Rs 106,9307 per unit</b>								
Issuance of 3,234,402 units	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	252,397,078	-	36,159,267	-	36,159,267	-	80,856,152	-
- Element of income	(8,003,389)	(8,003,389)	(358,213)	(358,213)	(358,213)	-	(2,924,672)	(2,924,672)
Total proceeds on issuance of units	244,393,679	-	35,801,054	-	35,801,054	-	77,933,480	358,128,213
Redemption of 3,919,040 units	-	-	-	-	-	-	-	-
- Capital value (at net asset value per unit at the beginning of the period)	2,638,262	-	97,590,432	-	97,590,432	-	321,803,320	-
- Element of income	(304,183)	(304,183)	(1,289,571)	(1,289,571)	(1,289,571)	-	(13,322,231)	(14,915,931)
Total payments on redemption of units	2,334,079	-	96,300,915	-	96,300,915	-	308,481,089	407,116,083
Total comprehensive (loss) / income for the year	-	(52,089,245)	-	(5,731,201)	(5,731,201)	-	(40,911,629)	(68,732,075)
Bonus distribution during the period	-	-	-	-	-	-	-	-
Net loss for the period less distribution	-	(52,089,245)	-	(5,731,201)	(5,731,201)	-	(40,911,629)	(68,732,075)
<b>Net assets at end of the period</b>	<b>517,638,431</b>	<b>(4,080,583)</b>	<b>513,557,848</b>	<b>38,004,899</b>	<b>633,223,363</b>	<b>19,532,282</b>	<b>652,755,665</b>	<b>1,580,671,548</b>
<b>[December 31, 2017: AAP Rs 105,1782 per unit, CAP Rs 106,6801 per unit and MAP Rs 102,1744 per unit]</b>								
Undistributed income carried forward	-	48,742,980	-	43,095,101	-	51,169,587	-	51,169,587
- Realised	-	(52,823,563)	-	(5,090,202)	-	(31,637,305)	-	(31,637,305)
- Unrealised	-	(4,080,583)	-	38,004,899	-	18,532,282	-	18,532,282
<b>Undistributed income carried forward</b>	<b>-</b>	<b>48,742,980</b>	<b>-</b>	<b>43,095,101</b>	<b>-</b>	<b>51,169,587</b>	<b>-</b>	<b>51,169,587</b>
- Realised	-	-	-	-	-	-	-	-
- Unrealised	-	-	-	-	-	-	-	-

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP PROSPERITY PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	----- (Rupees) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net (loss) / income for the period before taxation	(18,186,472)	2,156,575	(11,839,139)	(27,869,036)
<b>Adjustments for:</b>				
Amortisation of deferred formation cost	12,523	328,755	104,580	445,858
Unrealised loss on revaluation of investments - net	34,532,146	9,610,894	24,329,781	68,472,821
	16,358,197	12,096,224	12,595,222	41,049,643
<b>Decrease / (increase) in assets</b>				
Investments - net	152,225,049	85,972,988	129,096,508	367,294,545
Prepayments and other receivable	1,581	46,344	53	47,978
Mark-up receivable on bank balances	(9,974)	(44,350)	(8,397)	(62,721)
	152,216,656	85,974,982	129,088,164	367,279,802
<b>(Decrease) / increase in liabilities</b>				
Payable to the Management Company	(60,867)	(51,790)	(66,174)	(178,831)
Payable to the Trustee	(9,041)	(339)	(916)	(10,296)
Annual fee to the Securities and Exchange Commission of Pakistan	(223,180)	(187,228)	(344,704)	(755,112)
Accrued and other liabilities	25,757	360,338	79,136	465,231
	(267,331)	120,981	(332,658)	(479,008)
<b>Net cash flows generated from / (used in) operating activities</b>	168,307,522	98,192,187	141,350,728	407,850,437
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Amount received against issuance of units	230	49,567,246	13,302	49,580,778
Amount paid against redemption of units	(171,440,707)	(158,361,957)	(140,382,432)	(470,185,096)
<b>Net cash flows (used in) / generated from financing activities</b>	(171,440,477)	(108,794,711)	(140,369,130)	(420,604,318)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(3,132,955)	(10,602,524)	981,598	(12,753,881)
Cash and cash equivalents at beginning of the period	4,657,737	14,193,911	1,915,612	20,767,260
<b>Cash and cash equivalents at end of the period</b>	1,524,782	3,591,387	2,897,210	8,013,379

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP PROSPERITY PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended			
	December 31, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
----- (Rupees) -----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net (loss) / income for the period before taxation	(52,089,245)	(5,731,201)	(40,911,629)	(98,732,075)
<b>Adjustments for:</b>				
Amortisation of deferred formation cost	12,512	327,704	103,960	444,176
Unrealised loss on revaluation of investments - net	52,823,563	5,090,202	31,637,305	89,551,070
	746,830	(313,295)	(9,170,364)	(8,736,829)
<b>Decrease / (increase) in assets</b>				
Investments - net	(290,549,832)	(180,075,401)	120,643,736	(349,981,497)
Prepayments and other receivable	10,513	12,597	(1,896)	21,214
Mark-up receivable on bank balances	(50,746)	1,807	(2,793)	(51,732)
	(290,590,065)	(180,060,997)	120,639,047	(350,012,015)
<b>(Decrease) / increase in liabilities</b>				
Payable to the Management Company	(22,291)	(74,264)	(35,958)	(132,513)
Payable to the Trustee	13,306	(5,973)	(24,396)	(17,063)
Annual fee to the Securities and Exchange Commission of Pakistan	(35,770)	(118,531)	(105,747)	(260,048)
Accrued and other liabilities	(2,868,056)	(3,674,829)	(12,292,217)	(18,835,102)
	(2,912,811)	(3,873,597)	(12,458,318)	(19,244,726)
<b>Net cash flows generated from / (used in) operating activities</b>	(292,756,046)	(184,247,889)	99,010,365	(377,993,570)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Amount received against issuance of units	244,393,679	35,801,054	77,933,480	358,128,213
Amount paid against redemption of units	(2,334,079)	(96,300,915)	(308,481,089)	(407,116,083)
<b>Net cash flows (used in) / generated from financing activities</b>	242,059,600	(60,499,861)	(230,547,609)	(48,987,870)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(50,696,446)	(244,747,750)	(131,537,244)	(426,981,440)
Cash and cash equivalents at beginning of the period	52,148,815	245,570,323	131,857,378	429,576,516
<b>Cash and cash equivalents at end of the period</b>	1,452,369	822,573	320,134	2,595,076

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**ALFALAH GHP PROSPERITY PLANNING FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED**  
**INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Alfalah GHP Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 07, 2015 between Alfalah GHP Investment Management Limited, (the Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/SMCW/AGPPF/30/2015 dated July 30, 2015 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGPPF/29/2015 dated July 30, 2015.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
- 1.3 The Fund is categorised as a 'Fund of Fund' pursuant to the provisions contained in Circular No. 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the trust deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following allocation plans are offered:
- Alfalah GHP Active Allocation Plan
  - Alfalah GHP Conservative Allocation Plan
  - Alfalah GHP Moderate Allocation Plan
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) dated August 10, 2018 to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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- 2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.
3. **SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**
- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.
- 3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The investment of an entity in a mutual fund is required to be classified as "at fair value through profit or loss" based on criteria mentioned in IFRS-9. The Fund has all its investments in mutual funds which were previously also classified under "fair value through profit or loss" category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

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		December 31, 2018				June 30, 2018			
		(Un-audited)				(Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			
<b>4. BANK BALANCES</b>									
Savings accounts	4.1	1,524,782	3,591,387	2,897,210	8,013,379	4,657,737	14,193,911	1,915,612	20,767,260

- 4.1 These accounts carry profit at the rates ranging between 8% to 11.45% (June 30, 2018: 4% to 7.35%) per annum. These include bank balance of Rs. 2.341 million (June 30, 2018: Rs. 20.23 million) maintained with Bank Alfalah Limited (a related party).

		December 31, 2018				June 30, 2018			
		(Un-audited)				(Audited)			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			

**5. INVESTMENTS**

Financial assets 'at fair value through profit or loss'

Units of Mutual Funds -

open ended	5.1	313,073,296	274,038,342	394,518,414	981,630,052	499,830,491	369,622,224	547,944,703	1,417,397,418
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**5.1 Units of Mutual Funds - open ended (related parties)**

**5.1.1 Active Allocation Plan**

Particulars	As at July 01, 2018	Purchased during the period	Sold during the period	As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investments
Alfalah GHP Alpha Fund	1,902,824	151,863	810,387	1,244,300	89,743,771	73,451,094	(16,292,677)	23.52%	23.46%
Alfalah GHP Cash Fund	54,020	60,740	76,293	38,467	19,167,143	19,716,062	548,919	6.31%	6.30%
Alfalah GHP Stock Fund	1,018,853	128,458	436,324	710,987	94,054,515	74,056,169	(19,998,346)	23.71%	23.65%
Alfalah GHP Sovereign Fund	162,695	649,226	658,132	153,789	16,368,276	16,768,789	400,513	5.37%	5.36%
Alfalah GHP Money Market Fund	355,008	2,831,907	3,123,336	63,579	6,253,066	6,223,320	(29,746)	1.99%	1.99%
Alfalah GHP Income Fund	438,918	946,776	1,224,818	160,876	18,127,851	18,522,561	394,710	5.93%	5.92%
Alfalah GHP Income Multiplier Fund	1,100,872	5,122,292	4,291,880	1,931,284	103,890,820	104,335,301	444,481	33.41%	33.33%
Alfalah GHP Islamic Stock Fund	477,300	116,954	594,254	-	-	-	-	0.00%	0.00%
<b>Total as at December 31, 2018</b>					<b>347,605,442</b>	<b>313,073,296</b>	<b>(34,532,146)</b>		
<b>Total as at June 30, 2018</b>					<b>539,171,884</b>	<b>499,830,491</b>	<b>(39,341,393)</b>		

## 5.1.2 Conservative Allocation Plan

Particulars	As at July 01, 2018	Purchased during the period	Sold during the period	As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investments
Alfalalah GHP Alpha Fund*	394,609	103,491	208,751	289,349	20,382,767	17,080,314	(3,302,453)	6.17%	6.23%
Alfalalah GHP Cash Fund*	81,876	3,850	-	85,726	44,495,541	43,938,673	(556,868)	15.88%	16.03%
Alfalalah GHP Stock Fund*	200,560	66,087	100,165	166,482	21,226,148	17,340,728	(3,885,420)	6.27%	6.33%
Alfalalah GHP Sovereign Fund*	50,561	2,110,198	1,587,513	573,246	61,399,265	62,505,434	1,106,169	22.59%	22.81%
Alfalalah GHP Money Market Fund*	1,225,482	1,098,713	1,508,284	815,911	81,550,060	79,864,978	(1,685,082)	28.86%	29.14%
Alfalalah GHP Income Fund*	570,510	1,257,289	1,730,553	97,246	10,964,449	11,196,384	231,935	4.05%	4.09%
Alfalalah GHP Income Multiplier Fund*	1,149,010	3,122,239	3,590,057	681,192	36,530,350	36,800,686	270,336	13.30%	13.43%
Alfalalah GHP Islamic Stock Fund*	143,579	35,182	60,216	118,545	7,100,656	5,311,145	(1,789,511)	1.92%	1.94%
<b>Total as at December 31, 2018</b>					<b>283,649,236</b>	<b>274,038,342</b>	<b>(9,610,894)</b>		
<b>Total as at June 30, 2018</b>					<b>366,058,194</b>	<b>369,622,224</b>	<b>3,564,030</b>		

## 5.1.3 Moderate Allocation Plan

Particulars	As at July 01, 2018	Purchased during the period	Sold during the period	As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investments
Alfalalah GHP Alpha Fund	1,229,253	239,007	537,339	930,921	66,054,619	54,952,244	(11,102,375)	13.94%	13.94%
Alfalalah GHP Cash Fund	34,277	37,736	35,888	36,125	18,000,000	18,515,493	515,493	4.70%	4.70%
Alfalalah GHP Stock Fund	731,562	172,081	310,577	593,066	76,983,395	61,773,627	(15,209,768)	15.67%	15.66%
Alfalalah GHP Sovereign Fund	147,462	4,428,893	3,312,926	1,263,429	135,402,541	137,761,715	2,359,174	34.96%	34.92%
Alfalalah GHP Money Market Fund	387,895	1,425,830	1,813,725	-	-	-	-	0.00%	0.00%
Alfalalah GHP Income Fund	823,577	1,690,038	2,403,463	110,152	12,412,208	12,682,466	270,258	3.22%	3.21%
Alfalalah AGHP Income Multiplier Fund	3,137,662	7,366,045	8,576,204	1,927,503	103,709,931	104,131,443	421,512	26.42%	26.39%
Alfalalah GHP Islamic Stock Fund	238,790	58,511	192,365	104,936	6,285,501	4,701,426	(1,584,075)	1.19%	1.19%
<b>Total as at December 31, 2018</b>					<b>418,848,195</b>	<b>394,518,414</b>	<b>(24,329,781)</b>		
<b>Total as at June 30, 2018</b>					<b>563,828,648</b>	<b>547,944,703</b>	<b>(15,883,945)</b>		

**December 31, 2018**  
**June 30, 2018**  
**Note (Un-audited) (Audited)**  
**-----Rupees-----**

## 5.2 Unrealised loss on revaluation of investments classified as financial assets 'at fair value through profit or loss - net

Market value of investments	5.1.1, 5.1.2 & 5.1.3	981,630,052	1,417,397,418
Less: Carrying value of investments	5.1.1, 5.1.2 & 5.1.3	<u>(1,050,102,873)</u>	<u>(1,469,058,726)</u>
		<u>(68,472,821)</u>	<u>(51,661,308)</u>

6 PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY (related party)

Note	December 31, 2018				June 30, 2018				
	(Un-audited)				(Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	(Rupees)				(Rupees)				
Management remuneration payable	6.1	11,308	5,784	126	17,218	13,178	10,511	126	23,815
Sindh sales tax payable on remuneration of the Management Company	6.2	1,728	1,480	1,525	4,733	1,965	2,088	1,525	5,578
Federal excise duty payable on remuneration of the Management Company	6.3	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Allocated expenses	6.4	167,316	131,941	187,389	486,646	226,077	178,394	253,563	658,034
Sales load payable		252,242	257,650	121,465	631,357	252,241	257,652	121,465	631,358
		438,151	403,779	321,378	1,163,308	499,018	455,569	387,552	1,342,139

6.1 The Management Company has charged remuneration at a rate of 1% of average annual net assets of the Fund during the period. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.

6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).

6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 0.023 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.002 (June 30, 2018: Re. 0.001) per unit, Re. 0.003 (June 30, 2018: Re. 0.002) per unit and Re. 0.003 (June 30, 2018: Re. 0.002) per unit per unit for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

- 6.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.

## 7. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	December 31, 2018 (Un-audited)				June 30, 2018 (Audited)				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	(Rupees)				(Rupees)				
Provision against Sindh Workers' Welfare Fund	7.1	1,307,217	1,019,086	2,508,540	4,834,843	1,307,217	975,074	2,508,540	4,790,831
Rating fee payable		258,336	201,307	442,411	902,054	233,864	164,288	372,884	771,036
Printing charges payable		95,168	-	85,481	180,649	93,398	-	71,866	165,264
Auditors' remuneration payable		76,878	31,553	100,332	208,763	112,447	-	126,065	238,512
Withholding tax payable		35,298	56,304	27,343	118,945	1,415	6,803	1,518	9,736
Capital gain tax payable		-	-	35,274	35,274	244	41,689	35,864	77,797
Listing fee payable		19,640	-	2,456	22,096	-	-	-	-
Others		-	-	-	-	18,184	-	5,344	23,528
Sales load payable		-	337,861	43,178	381,039	-	96,868	43,178	140,046
		<u>1,792,537</u>	<u>1,646,111</u>	<u>3,245,015</u>	<u>6,683,663</u>	<u>1,766,769</u>	<u>1,284,722</u>	<u>3,165,259</u>	<u>6,216,750</u>

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.42 (June 30, 2018: Re. 0.28) per unit, Re. 0.38 (June 30, 2018: Re. 0.28) per unit and Re. 0.62 (June 30, 2018: Rs. 0.48) per unit for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

## 9. TOTAL EXPENSE RATIO

The total expense ratios of the Fund for the half year ended December 31, 2018 are 0.18%, 0.29% and 0.21% which includes 0.04%, 0.05% and 0.04% representing Government levy, Workers' Welfare Fund and SECP fee in Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a fund of funds scheme.

## 10. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

## 11. EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## 12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 12.1 Unit Holders' Fund

Half year ended December 31, 2018 (Un-audited)										
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment / Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment / Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018	
Active Allocation Plan:				Units		(Rupees)				
Associated companies / undertakings										
Bank Alfalah Limited - Employees Provident Fund	528,437	-	3,790	-	532,227	56,134,921	-	402,616	-	53,405,520
Bank Alfalah Limited - Employees Gratuity Fund	1,056,875	-	7,580	-	1,064,455	124,101,539	-	805,232	-	106,811,140
Unit holder holding 10% or more Units										
Jinnah Medical and Dental College	466,368	-	3,345	-	469,713	49,541,417	-	355,326	-	47,132,646

Half year ended December 31, 2018 (Un-audited)									
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment / Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment / Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018

**Conservative Allocation Plan:**

**Unit holder holding 10% or more Units**

	Units				(Rupees)					
Jinnah Medical and Dental College (SMST)	489,316	-	35,213	-	524,529	50,574,868	-	3,639,606	-	54,482,355
Medicare Pakistan (Private) Limited	450,762	-	32,828	-	483,590	46,589,999	-	3,393,053	-	50,230,068

**Moderate Allocation Plan:**

**Unit holder holding 10% or more Units**

	Units				(Rupees)					
Archroma Pakistan Limited - Employees Gratuity	445,705	-	19,496	-	465,201	44,471,317	-	1,945,281	-	48,320,009
Attock Cement Pakistan Limited - Employees Provident Fund	500,144	-	21,877	-	522,021	49,903,022	-	2,182,876	-	54,221,851

Half year ended December 31, 2017 (Un-audited)									
As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment / Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment / Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017

**Active Allocation Plan:**

**Associated companies / undertakings**

	Units				(Rupees)					
Bank Alfalah Limited - Employees Provident Fund*	528,437	-	-	-	528,437	62,050,711	-	-	-	55,580,052
Bank Alfalah Limited - Employees Gratuity Fund*	1,056,875	-	-	-	1,056,875	124,101,539	-	-	-	111,160,210

**Unit holder holding 10% or more Units**

Mohammad Ishaq Dar	-	1,315,093	-	-	1,315,093	-	150,000,000	-	-	138,319,115
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**Conservative Allocation Plan:**

**Unit holder holding 10% or more Units**

	Units				(Rupees)					
Jinnah Medical and Dental College (SMST)	489,316	-	-	-	489,316	53,794,912	-	-	-	53,178,912
Additional Registrar Judicial / Deputy Registrar Judicial	1,456,558	-	-	-	1,456,558	160,132,530	-	-	-	158,298,869
Medicare Pakistan (Private) Limited	450,762	-	-	-	450,762	49,556,324	-	-	-	48,988,859

**12.2 Other transactions**

	Half year ended (Un-audited)							
	December 31, 2018				December 31, 2017			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
<b>Associated Companies / Undertakings</b>								
<b>Alfalah GHP Investment Management Limited - Management Company</b>								
Remuneration of the Management Company	13,292	28,457	1,927	43,676	56,810	76,608	43,201	176,619
Sindh sales tax on remuneration of the Management Company	1,734	3,708	251	5,693	7,396	9,245	5,611	22,252
Sales load	-	-	-	-	110,504	37,293	39,437	187,234
Allocated expenses	215,697	168,907	240,043	624,647	257,688	224,793	406,428	888,909
<b>Bank Alfalah Limited</b>								
Profit on bank balances	74,956	121,062	241,853	437,871	380,371	121,062	241,853	743,286
Bank charges	-	25	25	50	4,460	25	25	4,510
Sales load	-	363,897	-	363,897	769,394	181,689	853,475	1,804,558



		Half year ended (Un-audited)							
		December 31, 2018				December 31, 2017			
		Active	Conservative	Moderate	Total	Active	Conservative	Moderate	Total
		Allocation	Allocation	Allocation		Allocation	Allocation	Allocation	
		Plan	Plan	Plan		Plan	Plan	Plan	
		(Rupees)				(Rupees)			
Other related parties									
<b>Central Depository Company of Pakistan Limited - Trustee</b>									
Remuneration of the Trustee	208,586	165,365	234,292	608,243	257,691	224,794	406,430	888,915	
Sindh sales tax on remuneration of the Trustee	27,116	21,496	30,455	79,067	33,500	29,223	52,839	115,562	
12.3 Other balances									
		December 31, 2018				June 30, 2018			
		(Un-audited)				(Audited)			
		Active	Conservative	Moderate	Total	Active	Conservative	Moderate	Total
		Allocation	Allocation	Allocation		Allocation	Allocation	Allocation	
		Plan	Plan	Plan		Plan	Plan	Plan	
		(Rupees)				(Rupees)			
Associated companies / undertakings									
<b>Alfalalah GHP Investment Management Limited - Management Company</b>									
Remuneration of the Management Company	11,308	5,784	126	17,218	13,178	10,511	126	23,815	
Sindh sales tax on remuneration of the Management Company	1,728	1,480	1,525	4,733	1,965	2,088	1,525	5,578	
Federal excise duty on remuneration of the Management Company	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354	
Sales load	252,242	257,650	121,465	631,357	252,241	257,652	121,465	631,358	
Allocated expenses	167,316	131,941	187,389	486,646	226,077	178,394	253,563	658,034	
<b>Bank Alfalah Limited</b>									
Bank balances	1,349,700	714,019	277,213	2,340,932	4,471,527	13,990,337	1,772,933	20,234,797	
Mark up receivable on bank deposits	9,974	531	3,555	14,060	-	-	-	-	
Sales load	-	337,861	43,178	381,039	-	96,868	43,178	140,046	
Other related parties									
<b>Central Depository Company of Pakistan Limited - Trustee</b>									
Remuneration of the trustee	37,320	35,946	54,302	127,568	45,322	29,741	40,991	116,054	
Sindh sales tax on remuneration of trustee	5,419	5,454	7,064	17,937	6,458	4,646	5,337	16,441	

### 13. FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### 13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

	December 31, 2018			Total
	Level 1	Level 2	Level 3	
<b>ASSETS</b>	(Rupees)			
<b>Financial assets classified as at fair value through profit or loss</b>				
<b>Investment in units of mutual funds</b>				
Active Allocation Plan	-	313,073,296	-	313,073,296
Conservative Allocation Plan	-	274,038,342	-	274,038,342
Moderate Allocation Plan	-	394,518,414	-	394,518,414

	June 30, 2018			Total
	Level 1	Level 2	Level 3	
<b>ASSETS</b>	(Rupees)			
<b>Financial assets classified as at fair value through profit or loss</b>				
<b>Investment in units of mutual funds</b>				
Active Allocation Plan	-	499,830,491	-	499,830,491
Conservative Allocation Plan	-	369,622,224	-	369,622,224
Moderate Allocation Plan	-	547,944,703	-	547,944,703

During the period ended December 31, 2018, 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.

#### 14. CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

#### 15. GENERAL

15.1 Figures have been rounded off to the nearest Pakistani Rupee.

15.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

#### 16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Islamic Prosperity  
Planning Fund**

## FUND INFORMATION

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<b>Management Company:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<b>Ms. Maheen Rahman (CEO)</b> Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
<b>Audit Committee:</b>	<b>Mr. Abid Naqvi</b> Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
<b>HR Committee:</b>	<b>Syed Ali Sultan</b> Mr. Tufail Jawed Ahmad Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
<b>Risk Committee:</b>	<b>Mr. Tufail Jawed Ahmad</b> Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
<b>Chief Operating Officer and Company Secretary :</b>	<b>Mr. Noman Ahmed Soomro</b>
<b>Chief Financial Officer:</b>	<b>Syed Hyder Raza Zaidi</b>
<b>Trustee:</b>	<b>Central Depository Company of Pakistan Limited</b> CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	<b>Bank Alfalah Limited</b>
<b>Auditors:</b>	<b>A.F. Ferguson &amp; Co.</b> Chartered Accountants State Life Building No. 1-C.I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	<b>Ahmed &amp; Qazi</b> Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Shariah Advisor:</b>	<b>Bank Islami Pakistan Limited 11th Floor,</b> Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
<b>Registrar:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	<b>Bank Alfalah Limited</b>
<b>Rating:</b>	<b>Not Yet Rated</b>

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**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

# AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

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## ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Islamic Prosperity Planning Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

## ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**  
**INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

	As at December 31, 2018 (Un-audited)					As at June 30, 2018 (Audited)				
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Capital Preservation Plan IV
<b>Assets</b>	(Rupees)					(Rupees)				
Bank balances	2,417,740	17,334,440	3,928,500	15,313,971	203,740,797	244,375,161	3,081,698	20,732,793	5,579,661	563,659,064
Investments - net	519,933,861	78,470,526	1,061,829,783	852,592,093	286,938,686	3,611,265,939	857,121,669	1,361,063,399	977,265,529	4,929,240,980
Deferred formation cost	-	141,726	-	-	141,726	141,726	170,982	-	-	342,708
Profit receivable on bank balances	60,590	113,100	538,869	59,385	3,989,258	5,029,567	198,703	396,775	64,179	1,720,003
Other receivable	-	207,550	15,079	-	-	223,529	-	207,550	-	431,079
<b>Total assets</b>	82,032,161	805,267,342	1,068,297,242	867,941,420	494,698,353	3,861,036,986	660,402,300	1,362,577,499	982,399,169	5,514,444,679
<b>Liabilities</b>	(Rupees)					(Rupees)				
Payable to the Management Company	367,769	783,602	733,339	425,155	582,629	3,353,765	963,355	1,654,466	543,381	3,471,021
Payable to the trustee	177,122	72,666	53,305	128,206	30,756	476,726	219,917	112,757	49,270	908,225
Annual fee payable to the Securities and Exchange Commission of Pakistan	217,137	2,198,480	586,004	368,097	230,434	3,593,784	1,092,257	1,810,045	765,901	5,101,484
Units to be issued against Pre- IPO subscription	-	-	-	-	-	-	-	-	-	551,326,905
Payable against Pre- IPO subscription	-	-	-	-	-	-	-	-	-	54,292
Payable against redemption of units	8,271,933	11,970,533	3,269,271	411,969	356,229	24,305,502	7,760,427	10,316,410	42,088	542,972
Accrued and other liabilities	9,027,991	15,025,351	4,641,949	1,322,657	1,293,248	31,731,809	10,535,140	13,259,698	314,649	21,722,802
<b>Total liabilities</b>	57,284,170	790,241,791	1,087,655,285	886,016,771	493,480,705	3,829,305,771	849,987,160	1,363,277,801	1,730,695,527	5,637,401,988
<b>Net assets attributable to unit holders</b>	24,747,991	15,025,551	-	-	-	24,747,991	15,025,551	-	-	-
<b>Unit holders' funds (as per the statement attached)</b>	57,284,170	790,241,791	1,087,655,285	886,016,771	493,480,705	3,829,305,771	849,987,160	1,363,277,801	1,730,695,527	5,637,401,988
<b>Contingencies and commitments</b>	-	-	-	-	-	-	-	-	-	-
<b>Number of units in issue</b>	5,141,927	7,678,802	12,040,791	9,501,647	4,653,870	1,042,182	8,677,033	12,965,621	18,729,733	10,294,456
<b>Net asset value per unit</b>	997,800	100,2985	88,7716	91,2072	101,6634	100,2939	97,9444	105,4376	92,4122	95,2688

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
 (Management Company)

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Director

**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018				Half year ended December 31, 2017				
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan V	Total	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan II	Islamic Active Allocation Plan III	Total
	(Rupees)								
<b>INCOME</b>									
Profit on bank balances	93,300	323,983	100,237	13,340,686	14,240,795	2,178,168	6,419,589	3,041,897	2,483,985
Other income	34,703,650	51,820,635	1,127,889	-	1,26,1975	2,495,921	7,257,000	1,725,000	267,123
Dividend income	(13,982,093)	(23,743,620)	(65,507,897)	1,917,200	(143,463,397)	(111,932,795)	(129,981,045)	(129,981,045)	(35,981,695)
Unrealised (loss) / gain on revaluation of investments - net	(9,589,400)	(17,071,945)	(52,920,020)	(21,865)	(120,945,700)	(67,145,788)	(61,954,927)	(61,954,927)	(20,315,579)
<b>Total Income</b>	11,623,917	11,345,831	(52,263,575)	15,279,881	(63,889,700)	(154,444,744)	(188,168,396)	(188,168,396)	(63,446,655)
<b>EXPENSES</b>									
Remuneration of the Management Company	168	42,800	2,776	1,994,899	2,114,686	429,660	1,079,619	649,324	687,481
Share sales tax on remuneration of the Management Company	72	5,364	89	293,314	328,860	75,671	1,430,356	94,412	5,845
Allocated expenses	230,242	5,364,420	78,334	465,460	6,138,460	75,671	1,594,598	84,412	5,264
Bank charges	233,242	418,639	625,724	374,220	1,905,686	731,768	1,272,689	873,084	525,804
Share sales tax on revaluation of the Trustee	30,168	59,392	81,365	46,464	177,404	56,262	163,713	113,894	442,927
Annual fee to the Securities and Exchange Commission of Pakistan	217,162	398,435	598,004	358,122	1,673,789	585,211	1,133,213	731,400	397,546
Amortisation of deferred formation cost	-	29,256	-	230,434	29,256	585,211	1,197,168	29,256	2,847,370
Auditors remuneration	70,661	103,749	149,421	67,892	29,256	1,197,168	29,256	125,174	74,504
Shareah advisory fee	1,993	3,084	4,214	14,384	531,826	91,633	106,064	41,880	356,675
Annualising fee	1,104	7,898	5,975	684	16,268	31,040	69,368	31,462	166,488
Annual rating fee	15,468	31,464	9,792	9,116	62,668	4,541	11,592	6,840	2,546
Printing charges	7,729	15,824	4,964	4,644	43,263	7,728	15,624	18,768	9,752
Bank charges	218,209	71,729	11,656	12,300	1,057,111	6,730	24,736	9,394	4,689
Professional fees	218,209	194,894	11,656	16,571	681,511	6,730	24,736	4,619	41,256
<b>Total expenses</b>	1,188,062	1,821,162	2,278,864	1,451,684	10,165,761	3,986,730	5,995,390	3,636,466	2,409,629
<b>Net Income / (loss) for the period before taxation</b>	10,716,750	9,524,669	(7,540,439)	13,828,197	(16,994,642)	(158,431,474)	(161,163,780)	(161,163,780)	(66,936,484)
Taxation	-	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	10,716,750	9,524,669	(7,540,439)	13,828,197	(16,994,642)	(158,431,474)	(161,163,780)	(161,163,780)	(66,936,484)
<b>Allocation of net income for the period</b>									
Net income / (loss) for the period after taxation	10,716,750	9,524,669	(7,540,439)	13,828,197	(16,994,642)	(158,431,474)	(161,163,780)	(161,163,780)	(66,936,484)
Income already paid on units redeemed	(1,534,941)	(2,352,281)	-	(7)	(7)	-	-	-	-
<b>Accounting income available for distribution carried to distribution account</b>	9,181,809	7,172,378	-	13,828,190	(16,994,649)	(158,431,474)	(161,163,780)	(161,163,780)	(66,936,484)
- Relating to capital gains	9,181,809	7,172,378	-	13,828,190	(16,994,649)	(158,431,474)	(161,163,780)	(161,163,780)	(66,936,484)
- Excluding capital gains	3,181,266	7,172,378	-	3,065,114	3,065,114	-	-	-	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director



**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	For the period from December 14, 2018 to December 31, 2018				For the Quarter ended December 31, 2017			
	For the Quarter ended December 31, 2018		Total		For the Quarter ended December 31, 2017		Total	
	Islamic Allocation Plan	Islamic Moderate Allocation Plan	Islamic Active Allocation Plan	Islamic Capital Preservation Plan V	Islamic Allocation Plan	Islamic Moderate Allocation Plan	Islamic Active Allocation Plan	Islamic Capital Preservation Plan III
<b>INCOME</b>								
Profit on bank balances	28,178	178,629	76,826	50,592	620,928	1,763,284	1,186,945	633,893
Other income	-	-	133,986	1,127,889	2,261,878	164,783	194,783	242,987
Dividend income	-	-	-	-	2,261,878	-	-	-
(Loss) / gain on sale of investments - net	(1,817,836)	(8,255,240)	(39,481,082)	(6,973,506)	(89,825,169)	(51,211,981)	(104,295,482)	(12,887,243)
Unrealised (loss) / gain on revaluation of investments - net	3,443,630	8,638,853	(7,492,324)	(29,128,913)	633,925,158	(4,274,322)	(2,533,233)	(6,833,828)
Total income	3,443,630	382,043	(7,172,518)	(54,253,594)	(82,972,158)	(2,713,685)	(103,359,851)	(16,178,769)
<b>EXPENSES</b>								
Remuneration of the Management Company	-	13,951	2,776	36,000	114,761	324,158	250,776	309,177
Smith-Salis tax on remuneration of the Management Company	-	1,765	359	4,879	14,919	42,139	32,888	40,189
Allocated expenses	134,246	231,073	943,132	228,308	372,943	687,385	473,241	281,068
Remuneration of the Trustee	104,463	194,941	78,720	7,483	593,572	1,046,416	646,416	179,243
Smith-Salis tax on remuneration of the Trustee	-	38,445	5,311	15,221	34,433	95,571	54,313	33,649
Remuneration of the Exchange Commission of Pakistan	100,410	172,832	261,550	174,576	278,483	491,849	354,933	195,792
Amortisation of deferred formation cost	-	14,828	-	14,828	14,828	14,828	14,828	14,828
Auditors' remuneration	44,888	57,217	118,124	114,394	255,768	52,532	93,881	58,528
Shariah advisory fee	(15,027)	(31,590)	(16,466)	(7,480)	17,020	34,684	20,684	10,666
Annual listing fee	552	2,100	2,451	353	1,894	5,796	3,420	733
Annual rating fee	7,730	15,732	8,384	4,876	15,732	9,384	4,876	3,720
Printing charges	3,865	7,812	4,882	2,484	3,864	7,912	4,692	2,484
Bank charges	6,381	-	10,120	3,025	2,845	11,244	3,197	3,065
Provision against Sindh Workers' Welfare Fund (SWWF)	60,889	(2,713)	-	6,250	133,689	-	-	-
466,488	695,000	1,027,821	750,103	83,877	4,328,485	1,919,884	1,719,015	1,179,222
Total expenses	2,982,552	(132,860)	(48,230,555)	(35,003,644)	(24,791,743)	(4,460,253)	(32,054,966)	(6,795,987)
Net income / (loss) for the period before taxation	2,982,552	(32,860)	(48,230,555)	(35,003,644)	(24,791,743)	(4,460,253)	(32,054,966)	(6,795,987)
Taxation	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation	2,982,552	(32,860)	(48,230,555)	(35,003,644)	(24,791,743)	(4,460,253)	(32,054,966)	(6,795,987)
Allocation of net income for the period	-	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation	2,982,552	(132,860)	(48,230,555)	(35,003,644)	(24,791,743)	(4,460,253)	(32,054,966)	(6,795,987)
Income already paid on units redeemed	(1,594,595)	(6,987,780)	(48,230,555)	(35,003,644)	(24,791,743)	(4,460,253)	(32,054,966)	(6,795,987)
Accounting income available for distribution carried to distribution account	1,387,957	(433,820)	-	-	-	-	-	-
- Relating to capital gains	1,594,595	-	-	-	1,542,637	1,651,976	3,275,946	4,818,883
- Excluding capital gains	-	-	-	-	210,914	225,977	32,054,966	(8,102,949)
Total	1,594,595	-	-	-	1,753,551	1,877,953	32,054,966	(3,284,066)

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

**For Alfalah GHP Investment Management Limited  
(Management Company)**  
\_\_\_\_\_  
Chief Executive Officer

**For Alfalah GHP Investment Management Limited  
(Management Company)**  
\_\_\_\_\_  
Chief Financial Officer

**Director**

**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND  
INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018		For the period from December 14, 2018 to December 31, 2018					Half year ended December 31, 2017				
	Islamic Moderate Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan I	Islamic Active Allocation Plan II	Total		
<b>Net income / (loss) for the period after taxation</b>	10,716,750	9,524,669	(57,540,459)	38,929,140	11,866,439	306,250	(64,055,491)	(139,431,474)	(50,607,827)	(191,804,832)	(55,656,484)	(465,700,617)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>10,716,750</u>	<u>9,524,669</u>	<u>(57,540,459)</u>	<u>38,929,140</u>	<u>11,866,439</u>	<u>306,250</u>	<u>(64,055,491)</u>	<u>(139,431,474)</u>	<u>(50,607,827)</u>	<u>(191,804,832)</u>	<u>(55,656,484)</u>	<u>(465,700,617)</u>

Note

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND  
INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	For the Quarter ended December 31, 2018				For the period from December 14, 2018 to December 31, 2018				For the Quarter ended December 31, 2017					
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Moderate Allocation Plan	Islamic Capital Preservation Plan V	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan II	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Total	
	(Rupees)													
Net income / (loss) for the period after taxation	2,982,552	(132,960)	(48,200,565)	(85,000,644)	3,395,465	306,230	3,395,465	306,230	(76,682,922)	(24,791,743)	(4,460,253)	(32,054,966)	(6,795,987)	(68,102,949)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>2,982,552</b>	<b>(132,960)</b>	<b>(48,200,565)</b>	<b>(85,000,644)</b>	<b>3,395,465</b>	<b>306,230</b>	<b>3,395,465</b>	<b>306,230</b>	<b>(76,682,922)</b>	<b>(24,791,743)</b>	<b>(4,460,253)</b>	<b>(32,054,966)</b>	<b>(6,795,987)</b>	<b>(68,102,949)</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Islamic Modern Allocation Plan		Islamic Balanced Allocation Plan		Islamic Active Allocation Plan I		Islamic Active Allocation Plan III		Islamic Capital Preservation Plan IV		Islamic Capital Preservation Plan V	
	Half year ended December 31, 2018		Half year ended December 31, 2018		Half year ended December 31, 2018		Half year ended December 31, 2018		Half year ended December 31, 2018		For the period from inception to 31 December 2018	
	Capital Value	Unsubsidized income / (loss)	Capital Value	Unsubsidized income / (loss)	Capital Value	Unsubsidized income / (loss)	Capital Value	Unsubsidized income / (loss)	Capital Value	Unsubsidized income / (loss)	Capital Value	Unsubsidized income / (loss)
- Capital value	88,348,884		1,212,466,355		1,894,168,391		1,032,728,438		88,141,108		104,223,193	
- Undistributed income/brought forward												
- Realized / (loss) / income	(50,800,248)	(9,800,248)	116,771,576	(16,771,576)	(145,570,029)	(29,564,296)	(29,564,296)	(29,564,296)	(29,564,296)	(29,564,296)	(67,970,698)	
- Unrealized income / (loss)	18,318,515	18,318,515	99,689,640	99,689,640	(48,311,835)	(48,311,835)	(23,823,890)	(23,823,890)	4,808	4,808	(18,777,370)	
<b>Net assets at beginning of the period</b>	<b>88,348,884</b>	<b>(34,481,733)</b>	<b>1,302,275,265</b>	<b>(16,782,931)</b>	<b>1,845,856,757</b>	<b>(48,683,926)</b>	<b>1,008,904,548</b>	<b>(52,388,186)</b>	<b>88,141,108</b>	<b>4,808</b>	<b>104,223,193</b>	<b>(18,777,370)</b>
<b>Net assets at end of the period</b>	<b>88,348,884</b>	<b>(34,481,733)</b>	<b>1,302,275,265</b>	<b>(16,782,931)</b>	<b>1,845,856,757</b>	<b>(48,683,926)</b>	<b>1,008,904,548</b>	<b>(52,388,186)</b>	<b>88,141,108</b>	<b>4,808</b>	<b>104,223,193</b>	<b>(18,777,370)</b>
AMP R: 105.4767 per unit, AMP I R: 92.4172 per unit and AMP III R: 92.2898 per unit												
Issue of units: 1,827,371 units (Islamic Balanced Allocation Plan), 8,891,385 units (Islamic Capital Preservation Plan IV) and 104,223 units (Islamic Capital Preservation Plan V)												
- Capital value (at net asset value per unit at the beginning of the period)												
- Elements of loss / (income)												
<b>Total proceeds on issuance of units</b>	<b>1,827,371</b>	<b>1,827,371</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>	<b>104,223</b>
Redemption of units: 1,653,105 units (Islamic Modern Allocation Plan), 70,615 units (Islamic Balanced Allocation Plan), 6,888,945 units (Islamic Active Allocation Plan I), 792,869 units (Islamic Active Allocation Plan III), 4,170,485 units (Islamic Capital Preservation Plan IV) and 84 units (Islamic Capital Preservation Plan V)												
- Capital value (at net asset value per unit at the beginning of the period)												
- Elements of loss / (income)												
<b>Total payments on redemption of units</b>	<b>(1,653,105)</b>	<b>(1,653,105)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>	<b>(70,615)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>362,243,738</b>	<b>(362,243,738)</b>	<b>699,495,172</b>	<b>(699,495,172)</b>	<b>88,138,846</b>	<b>(88,138,846)</b>	<b>75,539,992</b>	<b>(75,539,992)</b>	<b>410,743,694</b>	<b>(410,743,694)</b>	<b>4,900</b>	<b>(4,900)</b>
Box distribution for the year ended June 30, 2018 (R: 9.00 per unit)	1,961	1,961	3,254,531	3,254,531	8,070,971	8,070,971	1,637,388	1,637,388	3,279,236	3,279,236	7	7
Net income / (loss) for the period on distribution												
<b>Net assets at end of the period</b>	<b>362,244,199</b>	<b>(362,244,199)</b>	<b>1,009,974,942</b>	<b>(1,009,974,942)</b>	<b>88,149,717</b>	<b>(88,149,717)</b>	<b>77,177,380</b>	<b>(77,177,380)</b>	<b>410,747,915</b>	<b>(410,747,915)</b>	<b>4,907</b>	<b>(4,907)</b>
AMP R: 105.4767 per unit, AMP I R: 92.4172 per unit and AMP III R: 92.2898 per unit												
Box distribution for the year ended June 30, 2018 (R: 9.00 per unit)	1,961	1,961	3,254,531	3,254,531	8,070,971	8,070,971	1,637,388	1,637,388	3,279,236	3,279,236	7	7
Net income / (loss) for the period on distribution												
<b>Net assets at end of the period</b>	<b>362,244,199</b>	<b>(362,244,199)</b>	<b>1,009,974,942</b>	<b>(1,009,974,942)</b>	<b>88,149,717</b>	<b>(88,149,717)</b>	<b>77,177,380</b>	<b>(77,177,380)</b>	<b>410,747,915</b>	<b>(410,747,915)</b>	<b>4,907</b>	<b>(4,907)</b>
AMP R: 105.4767 per unit, AMP I R: 92.4172 per unit and AMP III R: 92.2898 per unit												
Box distribution for the year ended June 30, 2018 (R: 9.00 per unit)	1,961	1,961	3,254,531	3,254,531	8,070,971	8,070,971	1,637,388	1,637,388	3,279,236	3,279,236	7	7
Net income / (loss) for the period on distribution												
<b>Net assets at end of the period</b>	<b>362,244,199</b>	<b>(362,244,199)</b>	<b>1,009,974,942</b>	<b>(1,009,974,942)</b>	<b>88,149,717</b>	<b>(88,149,717)</b>	<b>77,177,380</b>	<b>(77,177,380)</b>	<b>410,747,915</b>	<b>(410,747,915)</b>	<b>4,907</b>	<b>(4,907)</b>
AMP R: 105.4767 per unit, AMP I R: 92.4172 per unit and AMP III R: 92.2898 per unit												
Box distribution for the year ended June 30, 2018 (R: 9.00 per unit)	1,961	1,961	3,254,531	3,254,531	8,070,971	8,070,971	1,637,388	1,637,388	3,279,236	3,279,236	7	7
Net income / (loss) for the period on distribution												
<b>Net assets at end of the period</b>	<b>362,244,199</b>	<b>(362,244,199)</b>	<b>1,009,974,942</b>	<b>(1,009,974,942)</b>	<b>88,149,717</b>	<b>(88,149,717)</b>	<b>77,177,380</b>	<b>(77,177,380)</b>	<b>410,747,915</b>	<b>(410,747,915)</b>	<b>4,907</b>	<b>(4,907)</b>

The annex notes form 1 to 17 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

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

# ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

## INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

### FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Islamic Moderate Allocation Plan		Islamic Balanced Allocation Plan		Islamic Active Allocation Plan II		Islamic Active Allocation Plan III	
	Half year ended December 31, 2017	Total	Half year ended December 31, 2017	Total	Half year ended December 31, 2017	Total	Half year ended December 31, 2017	Total
	(Rp/units)		(Rp/units)		(Rp/units)		(Rp/units)	
- Capital value	1,622,654,515	3,353,996,432	3,353,996,432	2,101,130,999	1,102,752,212	2,001,130,999	1,102,752,212	1,102,752,212
- Undistributed income brought forward	-	-	-	-	-	-	-	-
- Realised income / (loss)	28,593,997	18,268,812	18,268,812	34,663,482	-	34,663,482	-	(703,980)
- Unrealised income / (loss)	78,971,212	78,971,212	28,047,910	(17,216,920)	-	(17,216,920)	-	(3,483,098)
<b>Net assets at beginning of the period</b>	<b>1,729,219,724</b>	<b>3,551,236,456</b>	<b>3,551,236,456</b>	<b>2,114,008,461</b>	<b>1,102,752,212</b>	<b>2,018,477,561</b>	<b>1,102,752,212</b>	<b>1,102,752,212</b>
BAP Rs. 104,8877 per unit, AAP II Rs. 100,8383 per unit and AAP III Rs. 99,6953 per unit								
<b>Issue of units:</b> 552 units (Moderate Allocation Plan) and 528,112 units (Balanced Allocation Plan)								
- Capital value (at net asset value per unit at the beginning of the period)	93,786	56,796	56,796,632	56,796,632	-	-	-	-
- Element of income	31,271	31,271	7,333,584	7,333,584	-	-	-	-
The proceeds on issuance of units	30,073	30,073	350,324,716	350,324,716	-	-	-	-
<b>Redemption of units:</b> 1,888,578 units (Active Allocation Plan), 17,033,321 units (Balanced Allocation Plan), 345,219 units (Active Allocation Plan II) and 113,077 units (Active Allocation Plan III)								
- Capital value (at net asset value per unit at the beginning of the period)	178,851,338	1,750,952,104	1,750,952,104	31,902,447	10,712,170	31,902,447	10,712,170	2,033,781,897
- Element of income	15,224,797	(15,224,797)	(10,478,369)	673,812	(6,773,812)	673,812	(6,773,812)	87,777
The payments on redemption of units	184,076,135	1,664,627,135	1,760,427,735	32,576,259	3,938,358	32,576,259	3,938,358	1,986,351,036
The comprehensive loss for the period	(188,451,474)	(188,451,474)	(50,607,227)	(50,607,227)	(19,004,432)	(19,004,432)	(55,656,684)	(456,700,617)
Distribution during the period	(188,451,474)	(188,451,474)	(50,607,227)	(50,607,227)	(19,004,432)	(19,004,432)	(55,656,684)	(456,700,617)
<b>Net assets at end of the period</b>	<b>1,540,768,250</b>	<b>3,262,789,229</b>	<b>3,262,789,229</b>	<b>2,063,401,234</b>	<b>1,083,759,922</b>	<b>1,966,871,114</b>	<b>1,047,095,528</b>	<b>646,051,595</b>
BAP Rs. 103,369 per unit, AAP II Rs. 97,5175 per unit and AAP III Rs. 94,6254 per unit								
Undistributed income carried forward	(5,724,887)	107,491,401	(12,402,515)	(61,544,207)	-	-	-	(98,712,862)
- Realised (loss) / income	(47,145,758)	6,334,684	(6,334,684)	(14,537,447)	-	-	-	(20,315,578)
- Unrealised (loss) / income	82,800,655	113,729,265	113,729,265	(14,537,447)	-	-	-	(81,023,540)
<b>Accounting income available for distribution</b>								
- Return to capital gains	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-

The approved notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	For the period from					Half year ended December 31, 2018					Half year ended December 31, 2017					
	December 14, 2018 to December 31, 2018					Total										
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan	Islamic Capital Preservation Plan	Islamic Capital Preservation Plan	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan	Islamic Capital Preservation Plan	Islamic Capital Preservation Plan	Total
	(Rupees)					(Rupees)					(Rupees)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>																
Net income / (loss) for the period before taxation	10,716,750	9,524,663	(57,540,459)	(38,229,140)	11,666,439	306,250	(84,055,491)	(158,431,474)	(50,607,827)	(191,904,632)	(55,856,464)	(456,700,617)				
Adjustments for:																
Amortisation of deferred formation cost	-	29,256	-	-	-	29,256	1,187,168	29,256	-	-	-	1,216,424	-	-	-	1,216,424
Unrealised loss / (gain) on revaluation of investments - net	9,589,404	17,071,045	52,828,100	40,800,432	(21,695)	(21,432)	(120,645,700)	47,145,788	61,854,827	61,854,827	20,315,578	123,181,779	-	-	-	123,181,779
Depreciation / (increase) in assets	20,306,154	26,624,970	(4,872,439)	1,871,188	11,844,774	184,818	56,019,465	(58,813,065)	(29,849,955)	(29,849,955)	(32,802,414)					
Investments - net	328,178,634	535,321,828	619,071,650	84,112,806	(286,817,233)	(103,000,000)	1,197,967,787	(83,405,152)	70,981,093	(249,138,307)	(818,128,127)					
Other receivable	-	-	-	(15,979)	15,979	-	(15,979)	1,787,163	412,843	-	(675)	(1,703)	-	-	-	(1,703)
Profit receivable on bank balances	138,143	292,675	48,935	4,794	(3,414,986)	(288,665)	1,194,844,854	192,219,374	71,393,236	(240,096,303)	8,339,598	(809,391,232)	-	-	-	
(Decrease) / increase in liabilities	(601,556)	(271,884)	(175,460)	92,829	467,071	(17,226)	(335,597)	(1,426,324)	231,613	(252,534)	(1,740,560)					
Payable to the Management Company	(40,795)	(39,821)	(42,566)	(38,756)	38,756	83,953	(201,436)	(83,953)	(21,761)	91,408	91,408	(1,740,560)	-	-	-	
Annual fee payable to the Securities and Exchange Commission of Pakistan	(875,420)	388,435	(826,977)	(427,804)	200,434	3,332	(1,507,709)	(692,927)	(1,034,096)	(324,502)	371,171	(1,673,844)	-	-	-	
Payable against Pre-IPO subscription	(501,884)	-	-	(42,088)	(574,320)	-	542,972	-	-	42,088	42,088	-	-	-	-	
Accrued and other liabilities	(1,507,468)	1,731,853	(1,188,038)	(846,032)	633,955	26,337	(2,532,700)	(13,211,017)	(23,939,937)	(16,534,519)	(19,307,412)	(67,808,320)	-	-	-	
Net cash flows generated from / (used in) operating activities	347,115,762	585,161,326	613,252,256	84,026,879	(277,853,468)	(102,678,464)	1,250,024,322	88,909,819	(95,959,211)	(75,668,964)	(302,271,400)	(1,213,800,476)	-	-	-	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>																
Amount received against issuance of units	-	14,689,964	-	344,914,001	104,223,007	653,726,342	90,073	555,739,478	-	-	555,872,551					
Amount paid against redemption of units	(347,779,240)	(103,849,743)	61,660,775	(75,102,659)	(41,546,840)	(4,808)	(2,183,645,541)	(19,427,096)	(1,739,472,735)	(32,679,250)	(10,884,933)	(1,988,351,066)	-	-	-	
Net cash flows (used in) / generator from financing activities	(347,779,240)	(89,159,779)	(13,438,874)	(14,188,658)	(43,092,840)	4,992	(1,580,769,239)	(19,427,096)	(1,739,472,735)	(32,679,250)	(10,884,933)	(1,988,351,066)	-	-	-	
Net (decrease) / increase in cash and cash equivalents during the period	(60,662)	(3,699,353)	1,591,482	9,743,210	(347,368,108)	1,539,730	(338,663,863)	(95,827,247)	(2,239,890,468)	(108,944,923)	(172,965,352)	(2,566,428,981)	-	-	-	
Cash and cash equivalents at beginning of the period	3,081,698	20,133,793	2,337,007	5,979,661	561,126,935	-	863,050,064	98,071,822	2,133,709,150	120,849,191	320,844,902	2,673,275,065	-	-	-	
Cash and cash equivalents at end of the period	2,475,740	17,434,440	3,928,590	15,313,871	208,744,097	1,539,730	244,375,181	2,444,575	3,908,892	12,904,268	7,869,540	38,846,074	-	-	-	

The annexed notes form 1 to 17 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Director

# ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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#### 1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on March 15, 2016 between Alfalah GHP Investment Management Limited (Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Fund was registered by the Securities and Exchange Commission of Pakistan (the SECP) as a Notified Entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/AGIML/437/2016 dated April 25, 2016 and the Offering Document of the Fund was approved by the SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGIPPF/449/2016 dated May 02, 2016.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen City, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Fund of Fund scheme' pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. The Fund invests in units of other mutual funds, bank deposits. The investment objectives and policy are explained in the Fund's offering document. Presently, the Fund offers following allocation plans:

- a. Alfalah GHP Islamic \*Moderate Allocation Plan (MAP): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- b. Alfalah GHP Islamic Balanced Allocation Plan (BAP) is perpetual.
- c. Alfalah GHP Islamic Active Allocation Plan II (AAP II): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- d. Alfalah GHP Islamic Active Allocation Plan III (AAP III): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- e. Alfalah Islamic Capital Preservation Plan IV (CPP IV): The initial maturity of plan was twenty four (24) months from the close of subscription period. However the duration of the plan has been changed to perpetual.
- f. Alfalah Islamic Capital Preservation Plan V (CPP V): The initial maturity of plan was twenty four (24) months from the close of subscription period. However the duration of the plan has been changed to perpetual.

\* The management has renamed Alfalah GHP Islamic Active Allocation Plan to Alfalah GHP Islamic Moderate Allocation Plan.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018.

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

During the period ended December 31, 2018, a new plan namely Alfalah Islamic Capital Preservation Plan V (CCP V - the Plan) was introduced. The necessary changes in the Offering Document of the Fund were incorporated vide amendment through 6th Supplemental Offering Document approved by the SECP vide letter No. SCD/AMCW/AGIML/117/2018 dated October 02, 2018. Pre-Initial Public Offer (the Pre-IPO) period of the Plan started from the date of approval of 6th Supplemental Offering Document i.e. October 2, 2018 and continued till Initial Public Offer (the IPO) date which was December 14, 2018.

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## 2 BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

2.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

### 3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The investment of an entity in a mutual fund is required to be classified as "at fair value through profit or loss" based on criteria mentioned in IFRS-9. The Fund has all its investments in mutual funds which were previously also classified under "fair value through profit or loss" category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.



3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

		December 31, 2018						June 30, 2018						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	Islamic Active Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total
		(Un-audited)						(Audited)						
		(Rupees)						(Rupees)						
4.	<b>BANK BALANCES</b> Note													
	Deposit accounts 4.1	2,417,740	17,334,440	3,928,500	15,813,971	203,740,797	1,638,733	244,375,181	3,081,658	20,733,793	2,337,007	5,579,661	551,328,905	583,059,064

4.1 These accounts carry profit rates ranging between 7.40% to 10.25% (June 30, 2018: 4% to 7.40%) per annum. These include bank balance of Rs. 17.308 million (June 30, 2018: Rs. 567.665 million) which is maintained with Bank Alfalah Limited (a related party).

		December 31, 2018						June 30, 2018						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total
		(Un-audited)						(Audited)						
		(Rupees)						(Rupees)						
5.	<b>INVESTMENTS - NET</b> Note													
	'At fair value through profit or loss'													
	Open end mutual funds - Quoted 5.1	519,353,861	787,470,526	1,061,829,783	832,552,093	286,338,898	103,121,492	3,611,266,593	857,121,899	1,361,063,399	1,733,829,463	677,265,329	-	4,929,280,080

## 5.1 Open End Mutual Funds - Quoted - 'At fair value through profit or loss'

### Islamic Moderate Allocation Plan

Particulars	As at July 1, 2018	Purchased during the period	Sold during the period	As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	Unrealised Gain / (loss)	Market value as a percentage of net assets of the fund	Market value as a percentage of total market value of investments
Alfalah GHP Islamic Income Fund *	8,124,917	342,805	4,015,186	4,452,536	468,943,260	463,948,012	(4,995,248)	90.47%	89.33%
Alfalah GHP Islamic Dedicated Equity Fund *	-	726,949	-	726,949	60,000,005	55,405,949	(4,594,156)	10.80%	10.67%
<b>Total as per December 31, 2018</b>					<b>528,943,265</b>	<b>519,353,861</b>	<b>(9,589,404)</b>		
<b>Total as per June 30, 2018</b>					<b>840,803,905</b>	<b>857,121,899</b>	<b>16,317,994</b>		

\* These represent investments held in related parties i.e. funds under common management.

**Islamic Balanced Allocation Plan**

Particulars	As at July 1, 2018	Purchased during the period	Sold during the period	As at December 31, 2018	Carrying amount as at December 31, 2018	Market value as at December 31, 2018	Unrealised Gain / (loss)	Market value	Market value
								as a percentage of net assets of the fund	as a percentage of total market value of investments
				(No. of Units)	(Rupees)			%	
Alfalah GHP Islamic Income Fund *	10,738,571	1,037,738	5,142,401	6,633,908	697,479,496	691,243,881	(6,235,615)	87.47%	87.78%
Alfalah GHP Islamic Stock Fund *	486,246	119,146	605,392	-	-	-	-	0.00%	0.00%
Alfalah GHP Islamic Dedicated Equity Fund *	2,333,543	59,334	1,130,342	1,262,535	107,062,075	96,226,645	(10,835,430)	12.18%	12.22%
<b>Total as per December 31, 2018</b>					<b>804,541,571</b>	<b>787,470,526</b>	<b>(17,071,045)</b>		
<b>Total as per June 30, 2018</b>					<b>1,321,802,996</b>	<b>1,361,063,399</b>	<b>39,260,403</b>		

\* These represent investments held in related parties i.e. funds under common management.

**Islamic Active Allocation Plan II**

Alfalah GHP Islamic Income Fund *	5,166,375	6,240,732	5,185,614	6,221,493	644,707,786	648,270,823	3,563,037	61.06%	61.05%
Alfalah GHP Islamic Stock Fund *	5,779,298	1,416,120	6,090,844	1,104,574	66,162,393	49,488,111	(16,674,282)	4.66%	4.66%
Alfalah GHP Islamic Dedicated Equity Fund *	9,770,477	698,760	5,692,470	4,776,767	403,887,624	384,070,849	(39,816,775)	34.29%	34.29%
<b>Total as per December 31, 2018</b>					<b>1,114,757,803</b>	<b>1,061,829,783</b>	<b>(52,928,020)</b>		
<b>Total as per June 30, 2018</b>					<b>1,782,561,289</b>	<b>1,733,829,453</b>	<b>(48,731,836)</b>		

\* These represent investments held in related parties i.e. funds under common management.

**Islamic Active Allocation Plan III**

Alfalah GHP Islamic Income Fund *	3,423,816	2,486,802	1,487,390	4,423,228	460,073,585	460,894,124	820,539	53.18%	54.06%
Alfalah GHP Islamic Dedicated Equity Fund *	7,263,720	964,032	3,089,030	5,138,722	433,078,836	391,657,969	(41,420,867)	45.19%	45.94%
<b>Total as per December 31, 2018</b>					<b>893,152,421</b>	<b>852,552,093</b>	<b>(40,600,328)</b>		
<b>Total as per June 30, 2018</b>					<b>1,000,889,260</b>	<b>977,265,329</b>	<b>(23,623,931)</b>		

\* These represent investments held in related parties i.e. funds under common management.

**Islamic Capital Preservation Plan - IV**

Alfalah GHP Islamic Income Fund *	-	3,439,689	1,140,825	2,298,864	233,917,233	239,538,415	5,621,182	48.54%	6.63%
Alfalah GHP Islamic Dedicated Equity Fund *	-	621,915	-	621,915	53,000,000	47,400,483	(5,599,517)	9.61%	1.31%
<b>Total as per December 31, 2018</b>					<b>286,917,233</b>	<b>286,938,898</b>	<b>21,665</b>		
<b>Total as per June 30, 2018</b>					<b>800,000,000</b>	<b>796,531,904</b>	<b>(3,468,096)</b>		

\* These represent investments held in related parties i.e. funds under common management.

**Islamic Capital Preservation Plan - V**

Alfalah GHP Islamic Income Fund *	-	989,662	-	989,662	103,000,000	103,121,432	121,432	98.66%	2.86%
Alfalah GHP Islamic Dedicated Equity Fund *	-	-	-	-	-	-	-	0.00%	0.00%
<b>Total as per December 31, 2018</b>					<b>103,000,000</b>	<b>103,121,432</b>	<b>121,432</b>		
<b>Total as per June 30, 2018</b>					<b>-</b>	<b>-</b>	<b>-</b>		

\* These represent investments held in related parties i.e. funds under common management.

## 5.2 Unrealised loss on revaluation of 'investments classified as at fair value through profit or loss - net

	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees) -----	
Market value of investments as at Dec 31	3,611,266,593	6,556,785,231
Less: carrying value of investments as at Dec 31	<u>(3,731,312,293)</u>	<u>(6,679,967,010)</u>
	<u>(120,045,700)</u>	<u>(123,181,779)</u>

## 6 DEFERRED FORMATION COST

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from June 11, 2016, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the allocation plans according to the ratios of their Pre-IPO investments.

## 7 PAYABLE TO THE MANAGEMENT COMPANY

	December 31, 2018							June 30, 2018						
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total	
	(Un-audited)							(Audited)						
	----- (Rupees) -----							----- (Rupees) -----						
Note														
Management remuneration payable	7.1	142	18,593	396	27,663	196,907	36,000	279,701	3,972	18,174	-	5,043	-	27,189
Sindh sales tax payable on management remuneration	7.2	11,283	13,498	48	14,300	28,693	4,679	72,501	11,781	13,949	-	77	-	25,807
Payable against allocated expenses		266,553	468,381	732,895	383,192	297,229	4,866	2,154,306	678,326	904,909	908,799	537,838	-	3,029,872
Federal excise duty payable on management remuneration	7.3	83,821	83,234	-	-	-	-	167,055	83,821	83,234	-	-	-	167,055
Formation cost payable		-	198,666	-	-	80,000	40,000	100,000	-	-	-	-	-	-
Sales load payable		-	-	-	-	381,638	580,232	185,455	35,220	-	-	423	-	221,098
		<u>361,759</u>	<u>783,602</u>	<u>733,339</u>	<u>425,155</u>	<u>582,829</u>	<u>467,071</u>	<u>3,353,785</u>	<u>963,355</u>	<u>1,055,486</u>	<u>908,799</u>	<u>543,381</u>	<u>-</u>	<u>3,471,021</u>

7.1 The Management Company has charged remuneration at a rate of 1.25% of the average annual net assets of the Fund during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.

7.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company is of the view that further levy of FED was not justified.

On September 4, 2013, a constitutional petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 0.08 million and Rs 0.08 million for Moderate Allocation Plan and Balanced Allocation Plan is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re. 0.016 (June 30, 2018: Re 0.01) per unit and Re. 0.011 (June 30, 2018: Re 0.002) per unit for Moderate Allocation Plan and Balanced Allocation Plan respectively.

- 7.4 In accordance with Regulation 60 of the NBFC regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.

## 8 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2018							June 30, 2018					Total	
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Active Allocation Plan III	Islamic Capital Preservation Plan	Islamic Capital Preservation Plan V	Total	Islamic Active Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV		
	(Un-audited)							(Audited)						
	(Rupees)							(Rupees)					(Rupees)	
Provision against Sindh Workers' Welfare Fund	8.1	4,955,662	5,323,013	3,002,126	-	265,946	6,250	13,552,997	4,736,953	5,128,632	3,002,126	-	-	12,867,711
Printing charges payable		76,064	108,922	61,215	14,273	4,107	714	265,295	68,336	96,612	56,222	10,553	-	231,723
Auditors' remuneration payable		109,592	89,607	40,293	139,568	67,992	14,394	461,446	55,683	94,203	101,752	72,764	-	324,402
Withholding and capital gain tax payable		152,797	5,378,886	137	201,513	6,496	-	5,739,819	115,897	4,213,858	503	127,474	-	4,457,732
Listing fee payable		37,890	65,850	23,720	1,000	664	-	128,424	40,820	65,591	27,499	5,737	-	139,647
Rating fee payable		78,977	138,429	137,566	40,563	9,116	1,428	406,079	63,519	106,965	118,798	30,811	-	320,093
Shariah advisor fee payable		27,534	3,094	4,214	14,047	1,918	3,551	54,358	25,541	112,144	75,416	67,310	-	280,411
Sales load payable		2,834,117	862,732	-	235	-	-	3,697,084	2,653,678	497,405	-	-	-	3,151,083
		8,271,993	11,970,533	3,269,271	411,199	356,229	26,337	24,305,602	7,760,427	10,315,410	3,382,316	314,649	-	21,772,802

- 8.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

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Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.96 (June 30, 2018: Re 0.55) per unit, Re 0.68 (June 30, 2018: Re 0.39) per unit, Re 0.25 (June 30, 2018: Re 0.16) per unit, Re 0.05 (June 30, 2018: Nil) per unit and Re 0.01 (June 30, 2018: Nil) per unit for Moderate Allocation Plan, Balanced Allocation Plan, Active Allocation Plan II, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively.

## **9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## **10 TOTAL EXPENSES RATIO**

The total expense ratios of the Fund for the period ended December 31, 2018 are 0.19%, 0.17%, 0.14%, 0.15%, 0.53% and 0.08% (June 30, 2018: 0.47%, 0.32%, 0.32% and 0.38%) which includes 0.08%, 0.06%, 0.04%, 0.04%, 0.12% and 0.01% (June 30, 2018: 0.15%, 0.14%, 0.15% and 0.17%) representing Government levy, Workers' Welfare Fund and SECP fee in Moderate Allocation Plan, Balanced Allocation Plan, Active Allocation Plan II, Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively.

## **11 TAXATION**

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

## **12 EARNINGS PER UNIT**

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

## **13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

### 13.1 Unit Holders' Fund

	Half year ended December 31, 2018									
	As at July 1, 2018	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018	As at July 1, 2018	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2018
	(Units)					(Rupees)				
<b>Islamic Balanced Allocation Plan</b>										
<b>Key management personnel</b>										
Head of operations	103	-	6	-	109	11,493	-	-	-	10,933
<b>Islamic Active Allocation Plan II</b>										
<b>Associated companies / undertakings</b>										
Bank Alfalah Limited - Employees Gratuity Fund Trust	1,500,000	-	-	-	1,500,000	138,213,300	-	-	-	132,257,400
<b>Islamic Active Allocation Plan III</b>										
<b>Associated companies / undertakings</b>										
Bank Alfalah Limited - Employees Gratuity Fund Trust	500,000	-	-	-	500,000	47,634,400	-	-	-	45,603,600

	Half year ended December 31, 2017									
	As at July 1, 2017	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017	As at July 1, 2017	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at December 31, 2017
	(Units)					(Rupees)				
<b>Islamic Moderate Allocation Plan</b>										
<b>Unit holder holding 10% or more units</b>										
Naseer Ahmed Awan	2,328,306	-	-	-	2,328,306	248,000,212	-	-	-	248,000,212
<b>Islamic Balanced Allocation Plan</b>										
<b>Key management personnel</b>										
Head of Operations	103	-	-	-	103	10,804	-	-	-	10,804
<b>Islamic Active Allocation Plan II</b>										
<b>Associated companies / undertakings</b>										
Bank Alfalah Limited - Employees Gratuity Fund Trust	1,500,000	-	-	-	1,500,000	151,257,450	-	-	-	144,999,450
<b>Unit holder holding 10% or more units</b>										
SSG Executive Staff Provident Fund	3,014,096	-	-	-	3,014,096	303,936,317	-	-	-	276,020,362

### 13.2 Other transactions

	Half year ended December 31, 2018					For the period from December 14, 2018 to December 31, 2018	Half year ended December 31, 2017							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
<b>Associated companies / undertakings</b>														
<b>Alfalah GHP Investment Management Limited</b>														
<b>- Management Company</b>														
Remuneration of the Management Company	188	42,800	2,776	38,453	1,994,689	36,000	2,114,696	429,660	1,079,619	649,334	681,491	-	-	2,840,104
Sindh sales tax on remuneration of the Management Company	22	5,540	359	16,094	259,314	4,679	286,008	55,657	140,356	84,412	88,437	-	-	369,062
Allocated expenses	290,337	519,332	781,338	465,497	307,229	4,856	2,388,589	782,415	1,505,476	975,192	530,058	-	-	3,793,141
Sales load	-	-	-	-	-	-	-	-	29,484	-	121,459	-	-	330,986
<b>Bank Alfalah Limited</b>														
Profit on bank balances	43,258	138,320	42,696	15,879	1,601,602	57,966	1,899,731	80,437	560,561	50,619	284,516	-	-	976,133
Bank charges	31	-	1,270	2,590	4,706	-	8,557	1,921	7,825	876	2,234	-	-	6,758
Sales load	-	-	-	-	-	-	-	-	5,100,309	-	-	-	-	5,100,309

	Half year ended December 31, 2018						Half year ended December 31, 2017						
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total
	(Rupees)						(Rupees)						
<b>Other related parties</b>													
<b>Central Depository Company of Pakistan Limited - Trustee</b>													
Remuneration of the Trustee	233,242	418,439	625,734	374,220	246,622	7,411	1,905,668	731,266	1,274,689	676,081	535,040	-	3,407,076
Sindh sales tax on remuneration of the Trustee	30,168	54,392	81,355	48,464	32,063	992	247,404	95,092	165,713	113,894	68,258	-	442,927

### 13.3 Other balances

	December 31, 2018						June 30, 2018						
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total
	(Rupees)						(Rupees)						
<b>Associated companies / undertakings</b>													
<b>Alfalah GHP Investment Management Limited - Management Company</b>													
Management remuneration payable	142	18,593	396	27,663	196,507	36,000	279,701	3,972	18,174	-	5,043	-	27,189
Sindh sales tax payable on management remuneration	11,283	13,498	48	14,300	28,653	4,679	72,501	11,781	13,949	-	77	-	25,807
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055	83,821	83,234	-	-	-	167,055
Payable against allocated expenses	266,553	468,581	732,895	383,192	297,229	4,856	2,154,306	678,326	904,909	908,799	537,838	-	3,029,872
Formation cost payable	-	-	-	-	60,000	40,000	100,000	-	-	-	-	-	-
Sales load payable	-	198,695	-	-	-	381,536	580,232	185,455	35,220	-	423	-	221,098
<b>Bank Alfalah Limited</b>													
Bank balances	968,722	6,591,311	1,155,445	7,198,042	544,756	850,176	17,308,492	1,969,355	14,145,980	785,970	36,618	551,326,905	567,664,828
Profit receivable on bank balances	28,740	708,992	405,292	15,079	7,468	57,966	613,337	136,726	133,061	387,537	8,056	974,282	1,223,071
Sales load payable	-	-	-	-	-	-	-	2,653,678	487,405	-	-	-	3,151,083
<b>Other related parties</b>													
<b>Central Depository Company of Pakistan Limited - Trustee</b>													
Trustee remuneration payable	152,438	62,531	47,189	113,618	34,296	7,411	417,483	192,843	98,215	84,858	427,140	-	803,056
Sindh sales tax payable on Trustee remuneration	24,684	10,405	6,146	14,588	4,460	992	61,245	25,074	14,542	11,033	55,530	-	106,179

### 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### 14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
	<b>Islamic Moderate Allocation Plan</b>			
<b>Investments 'at fair value through profit or loss'</b>				
Mutual fund units - open ended	519,353,861	-	-	519,353,861
	<b>Islamic Balanced Allocation Plan</b>			
<b>Investments 'at fair value through profit or loss'</b>				
Mutual fund units - open ended	787,470,526	-	-	787,470,526
	<b>Islamic Active Allocation Plan II</b>			
<b>Investments 'at fair value through profit or loss'</b>				
Mutual fund units - open ended	1,061,829,783	-	-	1,061,829,783
	<b>Islamic Active Allocation Plan III</b>			
<b>Investments 'at fair value through profit or loss'</b>				
Mutual fund units - open ended	852,552,093	-	-	852,552,093
	<b>Islamic Capital Preservation Plan IV</b>			
<b>Investments 'at fair value through profit or loss'</b>				
Mutual fund units - open ended	286,938,898	-	-	286,938,898
	<b>Islamic Capital Preservation Plan V</b>			
<b>Investments 'at fair value through profit or loss'</b>				
Mutual fund units - open ended	103,121,432	-	-	103,121,432



		----- June 30, 2018 -----			
		Level 1	Level 2	Level 3	Total
		----- (Rupees) -----			
<b>Islamic Active Allocation Plan</b>					
<b>Investments 'at fair value through profit or loss'</b>					
Mutual fund units - open ended		857,121,899	-	-	857,121,899
<b>Islamic Balanced Allocation Plan</b>					
<b>Investments 'at fair value through profit or loss'</b>					
Mutual fund units - open ended		1,361,063,399	-	-	1,361,063,399
<b>Islamic Active Allocation Plan II</b>					
<b>Investments 'at fair value through profit or loss'</b>					
Mutual fund units - open ended		1,733,829,453	-	-	1,733,829,453
<b>Islamic Active Allocation Plan III</b>					
<b>Investments 'at fair value through profit or loss'</b>					
Mutual fund units - open ended		977,265,329	-	-	977,265,329

During the half year ended December 31, 2018, 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.

## 15 CORRESPONDING FIGURES

Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 16 GENERAL

16.1 Figures are rounded off to the nearest Pakistani Rupee.

16.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)


\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah  
GHP Islamic  
Dedicated Equity Fund**

## FUND INFORMATION

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<b>Management Company:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<b>Ms. Maheen Rahman (CEO)</b> <b>Syed Ali Sultan</b> <b>Mr. Hanspeter Beier</b> <b>Mr. Muhammad Tauqir Zafar</b> <b>Mr. Abid Naqvi</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Mr. Adeel Bajwa</b> <b>Ms. Mehreen Ahmed</b>
<b>Audit Committee:</b>	<b>Mr. Abid Naqvi</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b>
<b>HR Committee:</b>	<b>Syed Ali Sultan</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Ms. Maheen Rahman (CEO)</b> <b>Mr. Adeel Bajwa</b>
<b>Risk Committee:</b>	<b>Mr. Tufail Jawed Ahmad</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b> <b>Ms. Maheen Rahman (CEO)</b>
<b>Chief Operating Officer and Company Secretary :</b>	<b>Mr. Noman Ahmed Soomro</b>
<b>Chief Financial Officer:</b>	<b>Syed Hyder Raza Zaidi</b>
<b>Trustee:</b>	<b>Central Depository Company of Pakistan Limited</b> CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	<b>Bank Alfalah Limited</b>
<b>Auditors:</b>	<b>A.F. Ferguson &amp; Co.</b> Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	<b>Ahmed &amp; Qazi</b> Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Shariah Advisor:</b>	<b>Bank Islami Pakistan Limited 11th Floor,</b> Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
<b>Registrar:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	<b>Bank Alfalah Limited</b>
<b>Rating:</b>	<b>Not Yet Rated</b>

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**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Alfalah GHP Islamic Dedicated Equity 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

# AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

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## **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Islamic Dedicated Equity Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

## **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## **Other matter**

The condensed interim financial statements of the Fund for the half year ended December 31, 2017 were reviewed and the financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 26, 2018 and September 24, 2018 respectively.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

	Note	December 31, 2018 (Un-audited) ----- (Rupees) -----	June 30, 2018 (Audited)
<b>Assets</b>			
Bank balances	4	95,339,696	97,846,945
Investments	5	867,722,276	1,540,194,765
Security deposits		2,600,000	2,600,000
Dividend and profit receivable	6	837,208	3,012,405
Receivable against sale of investments		370,201	7,133,992
Formation cost		772,271	886,958
<b>Total assets</b>		<b>967,641,652</b>	<b>1,651,675,065</b>
<b>Liabilities</b>			
Payable to the Management Company	7	4,267,871	5,870,767
Payable to the Trustee		187,572	252,533
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		611,054	1,119,105
Accrued and other liabilities		3,313,024	1,831,696
<b>Total liabilities</b>		<b>8,379,521</b>	<b>9,074,101</b>
<b>Net assets attributable to unit holders</b>		<b>959,262,131</b>	<b>1,642,600,964</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>959,262,131</b>	<b>1,642,600,964</b>
<b>Contingencies and commitments</b>	10		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>12,585,930</b>	<b>19,367,739</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>76.2170</b>	<b>84.8112</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

		Half year ended December 31, 2018	Half year ended December 31, 2017	Quarter ended December 31, 2018	Quarter ended December 31, 2017
<b>INCOME</b>		(Rupees)			
Profit on bank balances		4,289,259	1,471,187	2,086,131	1,335,209
Dividend income from equity securities		37,977,868	22,248,914	17,448,108	18,295,310
Loss on sale of investments - net		(54,744,151)	(63,881,585)	(47,805,399)	(36,263,632)
Unrealised (loss) / gain on revaluation of investments - net	5.1	(111,188,447)	(25,921,222)	(85,644,732)	14,771,359
Other income		-	61,479	-	61,479
<b>Total income</b>		<b>(123,665,471)</b>	<b>(66,021,227)</b>	<b>(113,915,892)</b>	<b>(1,800,275)</b>
<b>EXPENSES</b>					
Remuneration of the Management Company	7.1	8,040,191	5,181,034	3,226,166	3,389,596
Sindh sales tax on remuneration of the Management Company	7.2	1,045,225	673,534	419,402	440,647
Remuneration of the Trustee		1,138,415	791,944	501,238	505,312
Sindh sales tax on remuneration of the Trustee		147,994	102,953	65,161	65,691
Annual fee to the Securities and Exchange Commission of Pakistan		611,055	393,758	245,189	257,609
Securities transaction cost		1,458,593	1,018,627	1,019,948	426,854
Auditors' remuneration		164,088	172,400	82,044	8,564
Amortization of formation cost		114,687	114,687	57,343	57,343
Printing charges		35,288	48,022	17,644	30,378
Allocated expenses	7.3	643,185	414,475	258,081	271,166
Selling and marketing expenses	7.4	2,572,764	1,657,900	1,032,347	1,084,664
Shariah advisory fee		181,479	176,438	90,739	88,219
Legal and professional charges		-	42,843	-	42,843
Bank and settlement charges		120,398	165,627	91,602	79,020
<b>Total expenses</b>		<b>16,273,362</b>	<b>10,954,242</b>	<b>7,106,904</b>	<b>6,747,906</b>
<b>Net loss for the period before taxation</b>		<b>(139,938,833)</b>	<b>(76,975,469)</b>	<b>(121,022,796)</b>	<b>(8,548,181)</b>
Taxation	11	-	-	-	-
<b>Net loss for the period after taxation</b>		<b>(139,938,833)</b>	<b>(76,975,469)</b>	<b>(121,022,796)</b>	<b>(8,548,181)</b>
<b>Allocation of net income for the period</b>					
Net loss for the period after taxation		(139,938,833)	(76,975,469)	(121,022,796)	(8,548,181)
Income already paid on units redeemed		-	-	-	-
<b>Accounting income available for distribution</b>		<b>(139,938,833)</b>	<b>(76,975,469)</b>	<b>(121,022,796)</b>	<b>(8,548,181)</b>
- Relating to capital gain		-	-	-	-
- Excluding capital gain		-	-	-	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018	Half year ended December 31, 2017	Quarter ended December 31, 2018	Quarter ended December 31, 2017
	----- (Rupees) -----			
<b>Net loss for the period after taxation</b>	(139,938,833)	(76,975,469)	(121,022,796)	(8,548,181)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(139,938,833)</u>	<u>(76,975,469)</u>	<u>(121,022,796)</u>	<u>(8,548,181)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	Capital value	Undistributed income (Rupees)	Total	Capital value	Undistributed income (Rupees)	Total
<b>Capital value</b>	1,754,300,898	-	1,754,300,898	710,595,971	-	688,402,204
<b>Undistributed loss brought forward</b>						
- Realised loss	-	(69,506,593)	(69,506,593)	(16,180,730)		
- Un-realised loss	-	(42,193,341)	(42,193,341)	(6,013,037)		
<b>Net assets at beginning of the period</b>	1,754,300,898	(111,699,934)	1,642,600,964	710,595,971	(22,193,767)	688,402,204
<b>[Rs. 84.8112 (June 30, 2017: Rs. 96.8767) per unit]</b>						
Issuance 3,070,989 of (2017: 12,000,346 units)						
- Capital value (at net asset value per unit at the beginning of the period)	260,454,262	-	260,454,262	1,162,553,919	-	1,162,553,919
- Element of loss	(5,454,262)	-	(5,454,262)	(172,778,393)	-	(172,778,393)
Total proceeds on issuance of units	255,000,000		255,000,000	989,775,526		989,775,526
Redemption of 9,852,798 (2017: 5,324,754 units)						
- Capital value (at net asset value per unit at the beginning of the period)	835,627,622	-	835,627,622	515,844,596	-	515,844,596
- Element of income	(37,227,622)	-	(37,227,622)	(53,324,596)	-	(53,324,596)
Total payments on redemption of units	798,400,000		798,400,000	462,520,000		462,520,000
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net transferred to the income statement	-	-	-	-	-	-
Total comprehensive income for the period	-	(139,938,833)	(139,938,833)	-	(76,975,469)	(76,975,469)
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	(139,938,833)	(139,938,833)	-	(76,975,469)	(76,975,469)
<b>Net assets at end of the period</b>	1,210,900,898	(139,938,833)	969,262,131	1,237,851,497	(99,169,236)	1,138,682,261
<b>[Rs. 76.2170 (December 31, 2017: Rs. 86.6237) per unit]</b>						
<b>Undistributed income carried forward</b>						
- Realised loss	-	(28,750,386)	-	-	(73,248,014)	(73,248,014)
- Unrealised loss	-	(111,188,447)	-	-	(25,921,222)	(25,921,222)
	-	(139,938,833)	-	-	(99,169,236)	(99,169,236)
<b>Accounting income available for distribution</b>						
- Relating to capital gain	-	-	-	-	-	-
- Excluding capital gain	-	-	-	-	-	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

**ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31	
	2018	2017
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period after taxation	(139,938,833)	(76,975,469)
<b>Adjustments for:</b>		
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	111,188,447	25,921,222
Amortization of formation cost	114,687	114,687
	(28,635,699)	(50,939,560)
<b>Decrease / (increase) in assets</b>		
Investments - net	561,284,042	(415,080,262)
Receivable against sale of investments	6,763,791	(15,882,061)
Formation Cost	-	-
Dividend and profit receivable	2,175,197	(9,601,816)
	570,223,030	(440,564,139)
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(1,602,896)	3,278,200
Payable to the Trustee	(64,961)	137,395
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(508,051)	382,329
Payable against purchase of investments	-	(535,970,691)
Accrued and other liabilities	1,481,328	(141,659)
	(694,580)	(532,314,426)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>540,892,751</b>	<b>(1,023,818,125)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	255,000,000	989,775,526
Amount paid against redemption of units	(798,400,000)	(462,520,000)
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(543,400,000)</b>	<b>527,255,526</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(2,507,249)</b>	<b>(496,562,599)</b>
Cash and cash equivalents at the beginning of the period	97,846,945	692,418,751
<b>Cash and cash equivalents at the end of the period</b>	<b>95,339,696</b>	<b>195,856,152</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 Alfalah GHP Islamic Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 06, 2017, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 28, 2017.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as an 'Islamic Equity Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. Units are offered for subscription on a continuous basis to other Islamic mutual funds. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.
- 1.4 According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 10, 2018.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.
- 2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.

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### 3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND FINANCIAL RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.
- 3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the year ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2018.

4 BANK BALANCES	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
----- (Rupees) -----			
Savings accounts	4.1	91,525,369	93,936,545
Current account	4.2	3,814,327	3,910,400
		<u>95,339,696</u>	<u>97,846,945</u>

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4.1 The rate of return on these accounts ranges between 6.5% to 10.25% (June 30, 2018: 5.3% to 6.50%) per annum. These include bank balance of Rs. 2.313 million (June 30, 2018: Rs. 3.260 million) maintained with Bank Alfalah Limited (a related party).

4.2 This current account is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
----- (Rupees) -----			
<b>At fair value through profit or loss</b>			
Listed equity securities	5.1	<u>867,722,276</u>	<u>1,540,194,765</u>

Name of the investee company	As at July 01, 2018	Purchases during the period	Bonus / Right during the period	Sales during the period	As at December 31, 2018	Carrying Value as at December 31, 2018	Market Value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Market Value as a percentage of net assets	Holding as a percent-age of paid-up capital of investee company
<b>Commercial banks</b>										
Meezan Bank Limited	592,186	207,000	50,268	394,000	455,454	36,679,304	42,079,395	5,400,091	4.39	0.04
						<u>36,679,304</u>	<u>42,079,395</u>	<u>5,400,091</u>	<u>4.39</u>	<u>0.04</u>
<b>Textile composite</b>										
Nishat Mills Limited	292,826	270,800	-	161,000	402,626	56,739,854	50,944,268	(5,795,586)	5.31	0.11
						<u>56,739,854</u>	<u>50,944,268</u>	<u>(5,795,586)</u>	<u>5.31</u>	<u>0.11</u>
<b>Cement</b>										
D. G. Khan Cement Company Limited	391,260	341,200	-	453,200	278,260	29,728,345	22,382,689	(7,345,656)	2.33	0.16
Maple Leaf Cement Factory Limited	486,250	455,500	-	478,000	463,750	22,257,102	18,851,438	(3,405,664)	1.97	0.11
Kohat Cement Company Limited	10,700	65,900	-	10,700	65,900	6,343,752	5,597,546	(746,206)	0.58	0.02
Fauji Cement Company Limited	1,001,500	-	-	1,001,500	-	-	-	-	-	-
Cherat Cement Company Limited	14,500	-	-	14,500	-	-	-	-	-	-
Lucky Cement Limited	172,382	61,400	-	100,350	133,432	66,078,100	57,988,887	(8,079,213)	6.05	0.06
						<u>124,407,299</u>	<u>104,830,560</u>	<u>(19,576,739)</u>	<u>10.93</u>	<u>0.35</u>
<b>Power generation and distribution</b>										
Hub Power Company Limited	1,299,876	238,000	-	676,500	861,376	79,028,343	73,897,447	(5,130,896)	7.70	0.07
Kot Addu Power Company Limited	840,000	150,000	-	275,500	714,500	38,440,757	35,403,475	(3,037,282)	3.69	0.08
						<u>117,469,100</u>	<u>109,300,922</u>	<u>(8,168,178)</u>	<u>11.39</u>	<u>0.15</u>
<b>Oil and gas marketing companies</b>										
Haseco Petroleum Limited	2,600	-	650	-	3,250	815,776	482,300	(333,476)	0.05	-
Pakistan State Oil Company Limited	126,368	29,500	19,773	93,000	82,641	21,549,224	18,629,761	(2,919,463)	1.94	0.06
Sui Northern Gas Pipelines Limited	471,793	77,000	-	328,500	220,293	20,635,289	16,977,982	(3,627,307)	1.77	0.21
						<u>42,970,289</u>	<u>36,090,043</u>	<u>(6,880,246)</u>	<u>3.71</u>	<u>0.27</u>
<b>Oil and gas exploration companies</b>										
Oil and Gas Development Company Limited	1,152,730	202,300	-	731,800	623,230	95,189,819	79,773,440	(15,416,379)	8.32	0.57
Pakistan Oilfields Limited	197,789	24,500	35,157	139,500	117,946	64,139,738	50,105,820	(14,033,918)	5.22	-
Pakistan Petroleum Limited	779,746	124,000	89,901	430,900	562,747	102,789,270	84,220,716	(18,568,554)	8.78	0.24
Marl Petroleum Company Limited	45,497	11,120	4,403	25,460	35,560	48,614,184	43,947,182	(4,667,002)	4.58	-
						<u>310,733,011</u>	<u>258,047,158</u>	<u>(52,685,853)</u>	<u>26.90</u>	<u>30.54</u>
<b>Engineering</b>										
International Industries Limited	119,584	8,000	-	107,000	20,594	4,764,062	3,172,506	(1,591,556)	0.33	0.03
International Steels Limited	335,371	17,000	-	199,400	152,971	15,513,315	10,060,903	(5,452,412)	1.05	0.13
Amreli Steels Limited	-	95,000	-	95,000	-	-	-	-	-	-
						<u>20,277,377</u>	<u>13,233,409</u>	<u>(7,043,968)</u>	<u>1.38</u>	<u>0.16</u>
<b>Automobile assembler</b>										
Milat Tractors Limited	7,380	-	-	2,200	5,180	6,154,151	4,309,708	(1,844,443)	0.45	-
Pak Suzuki Motor Company Limited	86	-	-	-	86	33,831	14,976	(18,855)	-	-
						<u>6,187,982</u>	<u>4,324,684</u>	<u>(1,863,298)</u>	<u>0.45</u>	<u>-</u>

Name of the investee company	As at July 01, 2018	Purchases during the period	Bonus / Right during the period	Sales during the period	As at December 31, 2018	Carrying Value as at December 31, 2018	Market Value as at December 31, 2018	Unrealised gain / (loss) as at December 31, 2018	Market Value as a percentage of net assets	Holding as a percent-age of paid-up capital of investee company
<b>Automobile parts and accessories</b>										
Thal Limited (Face value Rs. 5 per share)	1	-	-	-	1	478	428	(50)	-	-
						<u>478</u>	<u>428</u>	<u>(50)</u>	<u>-</u>	<u>-</u>
<b>Cable and electrical goods</b>										
Pak Elektron Limited	315	-	-	-	315	11,170	7,844	(3,326)	-	-
						<u>11,170</u>	<u>7,844</u>	<u>(3,326)</u>	<u>-</u>	<u>-</u>
<b>Fertilizer</b>										
Dawood Hercules Corporation Limited	296,716	-	-	149,700	147,016	16,286,432	16,340,828	54,396	1.70	0.03
Engro Fertilizers Limited	1,469,507	321,500	-	866,500	924,507	69,726,495	63,837,208	(5,889,287)	6.65	0.07
Engro Corporation Limited	378,181	184,500	-	254,000	308,681	98,097,569	89,850,865	(8,246,704)	9.37	0.06
Fauji Fertilizer Company Limited	473,500	133,000	-	360,000	246,500	24,083,741	22,887,525	(1,176,216)	2.39	0.05
						<u>208,174,237</u>	<u>192,916,426</u>	<u>(15,257,811)</u>	<u>20.11</u>	<u>0.21</u>
<b>Pharmaceuticals</b>										
The Searle Company Limited	71,871	12,000	5,095	37,900	51,066	14,631,194	12,541,299	(2,089,895)	1.31	-
						<u>14,631,194</u>	<u>12,541,299</u>	<u>(2,089,895)</u>	<u>1.31</u>	<u>-</u>
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited	501,000	927,000	-	444,000	984,000	33,580,498	36,545,760	2,965,262	3.81	0.01
ICI Pakistan Limited	7,633	-	-	6,700	933	747,800	741,147	(6,653)	0.08	-
						<u>34,328,298</u>	<u>37,286,907</u>	<u>2,958,609</u>	<u>3.89</u>	<u>0.01</u>
<b>Paper and board</b>										
Packages Limited	53,532	-	-	53,200	332	162,587	128,424	(34,163)	0.01	-
						<u>162,587</u>	<u>128,424</u>	<u>(34,163)</u>	<u>0.01</u>	<u>-</u>
<b>Food and personal care products</b>										
Fauji Foods Limited	416,500	-	-	392,000	24,500	790,860	741,860	(49,000)	0.08	-
						<u>790,860</u>	<u>741,860</u>	<u>(49,000)</u>	<u>0.08</u>	<u>-</u>
<b>Miscellaneous</b>										
Synthetic Products Enterprises Limited	21,114	-	-	12,000	9,114	465,725	304,499	(161,226)	0.03	-
						<u>465,725</u>	<u>304,499</u>	<u>(161,226)</u>	<u>0.03</u>	<u>-</u>
<b>Technology &amp; communication</b>										
Systems Limited	-	45,500	-	500	45,000	4,881,958	4,944,150	62,192	0.52	-
						<u>4,881,958</u>	<u>4,944,150</u>	<u>62,192</u>	<u>0.52</u>	<u>-</u>
<b>As at December 31, 2018</b>						<u>978,910,723</u>	<u>867,722,276</u>	<u>(111,188,447)</u>		
<b>As at June 30, 2018</b>						<u>536,081,691</u>	<u>530,068,654</u>	<u>(6,013,037)</u>		

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the Fund deposits tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at December 31, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the investee company	31-Dec-18		30-Jun-18	
	Bonus Shares			
	Number	Market value	Number	Market value
	Rupees		Rupees	
Pakistan State Oil Company Limited	492	110,912	492	156,609
The Searle Company Limited	869	213,418	869	295,026
	<u>1,361</u>	<u>324,330</u>	<u>1,361</u>	<u>451,635</u>
	31-Dec-18		30-Jun-18	
	Number of Shares	Market value	Number of Shares	Market value
		Rupees		Rupees
Engro Fertilizers Limited	150,000	10,357,500	150,000	14,833,500
Engro Corporation Limited	20,000	5,821,600	20,000	6,277,200
Hub Power Company Limited	100,000	8,579,000	100,000	9,216,000
Nishat Mills Limited	70,000	8,857,100	70,000	9,864,400
Oil & Gas Development Company Limited	130,000	55,226,600	130,000	20,230,600
	<u>470,000</u>	<u>88,841,800</u>	<u>470,000</u>	<u>60,421,700</u>
			(Un-audited) December 31, 2018	(Audited) June 30, 2018
<b>6 DIVIDEND AND PROFIT RECEIVABLE</b>	<b>Note</b>		----- (Rupees) -----	
Dividend receivable			3,774	2,315,701
Profit receivable on bank balances			833,434	696,704
			<u>837,208</u>	<u>3,012,405</u>
<b>7 PAYABLE TO THE MANAGEMENT COMPANY</b>				
Remuneration of the Management Company	7.1	1,037,835		1,766,130
Sindh sales tax payable on remuneration of the management company	7.2	134,920		229,598
Formation cost payable		57,500		57,500
Allocated expenses	7.3	464,852		-
Selling and marketing expenses	7.4	2,572,764		763,508
Other payable		-		3,054,031
			<u>4,267,871</u>	<u>5,870,767</u>
7.1	The Management Company has charged remuneration at the rate of 1.25% of average annual net assets of the Funds. The remuneration is paid to the Management Company on a monthly basis in arrears.			
7.2	During the period, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (June 30, 2018: 13%).			

- 7.3 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 7.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	----- (Rupees) -----	
<b>8 ACCRUED AND OTHER LIABILITIES</b>		
Auditors' remuneration	135,839	207,751
Brokerage payable	1,156,513	678,463
Settlement charges	61,584	33,307
Printing charges	72,756	47,300
Withholding tax payable	854,843	14,865
Charity payable	665,261	665,261
Shariah advisory fee	366,228	184,749
	<u>3,313,024</u>	<u>1,831,696</u>

#### 9 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.28% which includes 0.16% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

#### 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

#### 11 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has incurred a loss during the period, no provision for taxation has been made in these condensed interim financial statements.

#### 12 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

#### 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees'



Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 13.1 Unit Holder's Fund

December 31, 2018 (Un-audited)

As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2018	Net asset value as at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2018
(Number of Units)				(Rupees)			

#### Other Related Parties

Alfalah GHP Islamic Prosperity Planning Fund	19,367,739	2,449,074	9,852,798	11,964,015	1,642,600,984	202,000,000	798,400,000	911,861,931
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December 31, 2017 (Un-audited)

As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at December 31, 2017	Net asset value as at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2017
(Number of Units)				(Rupees)			

#### Other Related Parties

Alfalah GHP Islamic Prosperity Planning Fund	7,105,960	12,000,345	5,324,753	13,781,552	688,402,204	989,775,526	462,520,000	1,138,682,261
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### Half year ended (Unaudited)

December 31, 2018                      December 31, 2017

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

### 13.2 Other transactions

#### Associated companies / undertakings

##### Alfalah GHP Investment Management Limited (Management Company)

Remuneration of the Management Company	8,040,191	5,181,034
Sindh sales tax on remuneration of the Management Company	1,045,225	673,534
Allocated expenses	643,185	414,475
Selling and marketing expenses	2,572,764	1,657,900

##### Bank Alfalah Limited

Profit on bank balances	17,779	10,970
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##### Alfalah Securities (Private) Limited

Brokerage expense	96,478	57,599
Sindh sales tax on brokerage	12,542	7,488

	Half year ended (Unaudited)	
	December 31, 2018	December 31, 2017
	----- (Rupees) -----	
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	1,138,415	791,944
Sindh sales tax on remuneration of the Trustee	147,994	102,953
CDS charges	18,298	93,050
Sindh sales tax on CDS charges	2,379	12,097
	(Un-audited)	(Audited)
<b>13.3 Other balances</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2018</b>	<b>2018</b>
	----- (Rupees) -----	
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited (Management Company)</b>		
Remuneration of the Management Company	1,037,835	1,766,130
Sindh sales tax payable on remuneration of the management company	134,920	229,598
Formation cost payable	57,500	57,500
Allocated expenses	464,852	-
Selling and marketing expenses	2,572,764	763,508
Other payable	-	3,054,031
<b>Bank Alfalah Limited</b>		
Bank balance	6,127,281	7,170,808
Profit receivable	19,736	14,708
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Trustee remuneration payable	165,993	223,480
Sindh sales tax payable on trustee remuneration	21,579	29,053
Security deposit	100,000	100,000

#### 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

##### 14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

	<b>December 31, 2018 (Un-audited)</b>			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets classified as 'at fair value through profit or loss'</b>				
- Listed equity securities	<u>867,722,276</u>	<u>-</u>	<u>-</u>	<u>867,722,276</u>
	<b>June 30, 2018 (Audited)</b>			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets classified as 'at fair value through profit or loss'</b>				
- Listed equity securities	<u>1,540,194,765</u>	<u>-</u>	<u>-</u>	<u>1,540,194,765</u>

During the period ended December 31, 2018, 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.

## 15 CORRESPONDING FIGURES

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

## 16 GENERAL

16.1 Figures have been rounded off to the nearest Pakistani Rupee.

16.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the statutory auditors of the Fund.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah**  
**GHP Islamic Value Fund**

## FUND INFORMATION

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<b>Management Company:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Board of Directors of the Management Company:</b>	<b>Ms. Maheen Rahman (CEO)</b> <b>Syed Ali Sultan</b> <b>Mr. Hanspeter Beier</b> <b>Mr. Muhammad Tauqir Zafar</b> <b>Mr. Abid Naqvi</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Mr. Adeel Bajwa</b> <b>Ms. Mehreen Ahmed</b>
<b>Audit Committee:</b>	<b>Mr. Abid Naqvi</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b>
<b>HR Committee:</b>	<b>Syed Ali Sultan</b> <b>Mr. Tufail Jawed Ahmad</b> <b>Ms. Maheen Rahman (CEO)</b> <b>Mr. Adeel Bajwa</b>
<b>Risk Committee:</b>	<b>Mr. Tufail Jawed Ahmad</b> <b>Syed Ali Sultan</b> <b>Mr. Muhammad Tauqeer Zafar</b> <b>Ms. Maheen Rahman (CEO)</b>
<b>Chief Operating Officer and Company Secretary :</b>	<b>Mr. Noman Ahmed Soomro</b>
<b>Chief Financial Officer:</b>	<b>Syed Hyder Raza Zaidi</b>
<b>Trustee:</b>	<b>Central Depository Company of Pakistan Limited</b> CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
<b>Bankers to the Fund:</b>	<b>Bank Alfalah Limited</b>
<b>Auditors:</b>	<b>A.F. Ferguson &amp; Co.</b> Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
<b>Legal Advisor:</b>	<b>Ahmed &amp; Qazi</b> Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
<b>Shariah Advisor:</b>	<b>Bank Islami Pakistan Limited 11th Floor,</b> Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
<b>Registrar:</b>	<b>Alfalah GHP Investment Management Limited</b> 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	<b>Bank Alfalah Limited</b>
<b>Rating:</b>	<b>Not Yet Rated</b>

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**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH GHP ISLAMIC VALUE FUND**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Value 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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

# AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

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## **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah GHP Islamic Value Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

## **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH GHP ISLAMIC VALUE FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

	December 31, 2018	June 30, 2018
Note	(Un-audited)	(Audited)
-----Rupees-----		
<b>Assets</b>		
Bank balances	4 38,496,956	57,494,182
Investments	5 146,852,773	229,678,807
Security deposits	2,600,000	2,600,000
Dividend, profit and other receivable	1,418,221	2,286,086
Receivable against sale of investments	-	770,548
Preliminary expenses and floatation cost	260,091	294,833
<b>Total assets</b>	<b>189,628,041</b>	<b>293,124,456</b>
<b>Liabilities</b>		
Payable to the Management Company	6 1,009,462	1,629,742
Payable to the Trustee	67,141	64,988
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	122,107	208,563
Accrued expenses and other liabilities	7 754,443	798,119
<b>Total liabilities</b>	<b>1,953,153</b>	<b>2,701,412</b>
<b>Net assets attributable to unit holders</b>	<b>187,674,888</b>	<b>290,423,044</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>187,674,888</b>	<b>290,423,044</b>
<b>Contingencies and commitments</b>	8	
-----Number of units-----		
<b>Number of units in issue</b>	<b>2,009,955</b>	<b>2,888,902</b>
----- (Rupees) -----		
<b>Net asset value per unit</b>	<b>93.3727</b>	<b>100.5306</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**ALFALAH GHP ISLAMIC VALUE FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

		For the half year ended December 31, 2018	For the period from October 12, 2017 to December 31, 2017	For the quarter ended December 31, 2018	For the period from October 12, 2017 to December 31, 2017
<b>INCOME</b>		(Rupees)			
Income from sukuk certificates		2,156,318	423,711	1,186,655	423,711
Profit on bank balances		1,806,553	3,267,198	1,058,900	3,267,198
Dividend income		4,717,825	63,700	2,478,575	63,700
Loss on sale of investments - net		(8,680,696)	3,754,609	4,724,130	3,754,609
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net	5.4	(14,954,159)	1,352,230	(15,355,471)	1,352,230
<b>Total income</b>		<b>(10,058,753)</b>	<b>5,106,839</b>	<b>(12,910,770)</b>	<b>5,106,839</b>
<b>EXPENSES</b>					
Remuneration of the Management Company	6.1	2,570,692	1,403,596	1,191,357	1,403,596
Sindh sales tax on remuneration of the Management Company	6.2	334,676	182,467	154,868	182,467
Allocated expenses	6.3	128,529	1,098	59,567	1,098
Selling and marketing expenses	6.4	514,117	4,391	238,272	4,391
Remuneration of the Trustee		352,885	155,861	176,443	155,861
Sindh sales tax on remuneration of the Trustee		45,352	20,249	22,923	20,249
Annual fee to the Securities and Exchange Commission of Pakistan		122,107	66,670	56,589	66,670
Settlement and bank charges		172,429	31,107	109,044	31,107
Auditors' remuneration		288,515	61,815	144,256	61,815
Brokerage expenses		124,690	65,493	72,315	65,493
Amortisation of formation cost		34,742	15,297	17,373	15,297
Printing and related costs		35,302	15,469	17,652	15,469
Annual listing fee		13,843	8,505	6,916	8,505
Shariah advisory fee		181,458	77,285	90,727	77,285
Provision against Sindh Workers Welfare Fund		-	59,109	(5,819)	59,109
<b>Total expenses</b>		<b>4,919,337</b>	<b>2,168,412</b>	<b>2,352,484</b>	<b>2,168,412</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(14,978,090)</b>	<b>2,938,427</b>	<b>(15,263,254)</b>	<b>2,938,427</b>
Taxation	10	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		<b>(14,978,090)</b>	<b>2,938,427</b>	<b>(15,263,254)</b>	<b>2,938,427</b>
<b>Allocation of net income for the year</b>					
Net (loss) / income for the period after taxation		(14,978,090)	2,938,427	(15,263,254)	2,938,427
Income already paid on units redeemed		-	(17,577)	17	(17,577)
		<b>(14,978,090)</b>	<b>2,920,850</b>	<b>(15,263,237)</b>	<b>2,920,850</b>
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	1,344,141	-	-
- Excluding capital gains		-	1,576,709	-	2,920,850
		<b>-</b>	<b>2,920,850</b>	<b>-</b>	<b>2,920,850</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**ALFALAH GHP ISLAMIC VALUE FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	For the half year ended December 31, 2018	For the period from October 12, 2017 to December 31, 2017	For the quarter year ended December 31, 2018	For the period from October 12, 2017 to December 31, 2017
	----- (Rupees) -----			
<b>Net (loss) / income for the period after taxation</b>	(14,978,090)	2,938,427	(15,263,254)	2,938,427
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u>(14,978,090)</u>	<u>2,938,427</u>	<u>(15,263,254)</u>	<u>2,938,427</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH GHP ISLAMIC VALUE FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	For the period ended December 31, 2018			For the period from October 12, 2017 to December 31, 2017		
	(Rupees)			(Rupees)		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistrib- uted income / (loss)	Total
Capital value	290,176,325	-	290,176,325	-	-	-
Undistributed income brought forward						
- Realised income	-	3,843,390	3,843,390	-	-	-
- Unrealised loss	-	(3,596,671)	(3,596,671)	-	-	-
<b>Net assets at beginning of the period</b> [Rs. 100.5306 per unit]	290,176,325	246,719	290,423,044	-	-	-
Issuance of 634,256 (December 31, 2017: 3,833,863 units)						
- Capital value (at net asset value per unit at the beginning of the period)	63,612,063	-	63,612,063	383,386,300	-	383,386,300
- Element of (loss) / income	(661,563)	-	(661,563)	380,026	-	380,026
Total proceeds on issuance of units	62,950,500	-	62,950,500	383,766,326	-	383,766,326
Redemption of 1,513,203 (December 31, 2017: 80,178 units)						
- Capital value (at net asset value per unit at the beginning of the period)	151,765,218	-	151,765,218	8,017,800	-	8,017,800
- Element of (income) / loss	(1,726,433)	-	(1,726,433)	5,452	17,577	23,029
Total payments on redemption of units	150,038,785	-	150,038,785	8,023,252	17,577	8,040,829
Total comprehensive (loss) / income for the period	-	(14,978,090)	(14,978,090)	-	2,938,427	2,938,427
Final distribution for the year ended June 30, 2018 @ Re. 0.236 per unit on July 02, 2018						
- Taxable dividend	-	(246,748)	(246,748)	-	-	-
- Refund of capital	(435,033)	-	(435,033)	-	-	-
Net (loss) / income for the period less distribution	(435,033)	(15,224,838)	(15,659,871)	-	2,938,427	2,938,427
<b>Net assets at end of the period</b> [Rs. 93.3727 (December 31, 2017: Rs. 100.8779) per unit]	<b>202,653,007</b>	<b>(15,224,838)</b>	<b>187,674,888</b>	<b>375,743,074</b>	<b>2,920,850</b>	<b>378,663,924</b>
<b>Undistributed income carried forward</b>						
- Realised (loss) / income		(270,679)			1,568,620	
- Unrealised (loss) / income		(14,954,159)			1,352,230	
		<b>(15,224,838)</b>			<b>2,920,850</b>	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		-			1,344,141	
- Excluding capital gain		-			1,576,709	
		-			<b>2,920,850</b>	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

**ALFALAH GHP ISLAMIC VALUE FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	For the half year ended December 31, 2018	For the period from October 12, 2017 to December 31, 2017
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(14,978,090)	2,938,427
<b>Adjustments for:</b>		
Unrealised loss / (gain) on revaluation of investments classified as at fair value through profit or loss - net	14,954,159	(1,352,230)
Amortisation of formation cost	34,742	15,297
Provision against Sindh Workers Welfare Fund	-	59,109
	<u>10,811</u>	<u>1,660,603</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	68,642,423	(95,355,109)
Security deposits	-	(2,600,000)
Dividend, profit and other receivable	867,865	(2,142,695)
Preliminary expenses and floatation cost	-	(344,310)
	<u>69,510,288</u>	<u>(100,442,114)</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to the Management Company	(620,280)	3,948,721
Payable to the Trustee	2,153	67,755
Annual fee payable to the Securities and Exchange Commission of Pakistan	(86,456)	66,670
Accrued expenses and other liabilities	(43,676)	333,708
	<u>(748,259)</u>	<u>4,416,854</u>
<b>Net cash flows generated from / (used in) operating activities</b>	<u>68,772,840</u>	<u>(94,364,657)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	62,515,467	383,766,326
Amount paid against redemption of units	(150,038,785)	(8,040,829)
Dividend paid	(246,748)	-
<b>Net cash flows (used in) / generated from financing activities</b>	<u>(87,770,066)</u>	<u>375,725,497</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<u>(18,997,226)</u>	<u>281,360,840</u>
Cash and cash equivalents at beginning of the period	57,494,182	-
<b>Cash and cash equivalents at end of the period</b>	<u><u>38,496,956</u></u>	<u><u>281,360,840</u></u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

## ALFALAH GHP ISLAMIC VALUE FUND

### NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

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#### 1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Value Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on April 6, 2017 between Alfalah GHP Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (the SECP). The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund has been categorised as "Shariah Compliant Islamic Asset Allocation Scheme" pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation which the Fund aims to deliver mainly by investing in shariah compliant equity securities, shariah compliant government securities, cash and near cash instruments (GoP Ijarah Sukuk not exceeding 90 days maturity) which include cash in bank accounts of islamic banks and licensed islamic banking windows of conventional banks (excluding TDRs), secured / unsecured (listed and / or privately placed) Sukuks, shariah compliant spread transactions, certificates of modaraba, certificates of musharika with financial institutions, placement of funds with financial institutions on the basis of murabaha, bai Mu'ajjal, bai salam or istisna, shariah compliant bank deposits, shariah compliant investment in real estate investment trust, investment outside Pakistan (shariah compliant), any other shariah compliant securities or instruments as permitted by the rules, the regulations and approved for investment by the SECP and the shariah advisor from time to time.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) dated August 10, 2018 to the Management Company.

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

#### 2. BASIS OF PREPARATION

##### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the period ended June 30, 2018.
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2.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

**3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt and equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the period ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the period ended June 30, 2018.

4 BANK BALANCES	Note	December 31,	June 30,
		2018 (Un-audited)	2018 (Audited)
-----Rupees -----			
- In savings accounts	4.1	33,980,247	47,431,412
- In current accounts	4.2	4,516,709	10,062,770
		<u>38,496,956</u>	<u>57,494,182</u>

4.1 These accounts carry profit at rates ranging between 3.77% to 10.25% per annum (June 30, 2018: 3.72% to 6.5% per annum). These include a balance of Rs. 7.85 million (June 30, 2018: Rs. 5.851 million) maintained with Bank Alfalah Limited (a related party).

4.2 This balance in current account is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	December 31,	June 30,
		2018 (Un-audited)	2018 (Audited)
-----Rupees -----			
<b>'At fair value through profit or loss'</b>			
Listed equity securities	5.1	97,106,873	179,618,807
Sukuk certificates - listed	5.2	30,001,620	30,060,000
Sukuk certificates - unlisted	5.3	19,744,280	20,000,000
		<u>146,852,773</u>	<u>229,678,807</u>

#### 5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 01, 2018	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of paid-up capital of the investee company
	----- Number of shares -----					----- Rupees -----			----- Percentage -----		----- % -----
<b>Commercial Banks</b>											
Meezan Bank Limited	64,500	10,000	5,450	30,000	49,950	3,808,177	4,614,681	806,704	4.75%	2.46%	0.00%
<b>Cement</b>											
Chehal Cement Company Limited	9,000	-	-	9,000	-	-	-	-	0.00%	0.00%	0.00%
D. G. Khan Cement Company Limited	47,500	13,000	-	30,000	30,500	3,320,581	2,444,575	(876,006)	2.52%	1.30%	0.01%
Fauji Cement Company Limited	123,000	-	-	123,000	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Company Limited	800	6,500	-	800	6,500	569,247	552,110	(17,137)	0.57%	0.29%	0.00%
Lucky Cement Limited	19,100	4,600	-	8,000	15,700	7,918,373	6,824,319	(1,094,054)	7.03%	3.64%	0.00%
Maple Leaf Cement Factory Limited	60,500	21,000	-	29,000	52,500	2,602,986	2,134,125	(468,861)	2.20%	1.14%	0.01%
<b>Power Generation &amp; Distribution</b>											
Hub Power Company Limited	147,500	10,000	-	63,500	94,000	8,640,919	8,064,260	(576,659)	8.30%	4.30%	0.01%
Kot Addu Power Company Limited	130,500	11,500	-	63,000	79,000	4,258,496	3,914,450	(344,045)	4.03%	2.09%	0.01%

Name of the Investee Company	As at July 01, 2018	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of paid-up capital of the investee company
	Number of shares					Rupees			Percentage		%

#### Oil & Gas Marketing Companies

Pakistan State Oil Company Limited	18,700	-	3,300	7,700	14,300	3,783,194	3,223,649	(569,545)	3.32%	1.72%	0.00%
Sui Northern Gas Pipelines Limited	28,100	4,000	-	2,000	31,100	3,017,542	2,386,877	(620,665)	2.47%	1.28%	0.00%

#### Oil & Gas Exploration Companies

Pakistan Petroleum Limited	110,600	3,000	13,065	64,000	62,665	11,718,437	9,378,444	(2,339,993)	9.66%	5.00%	0.00%
Oil and Gas Development Company Limit	147,000	3,000	-	81,000	69,000	10,745,937	8,832,000	(1,913,937)	9.10%	4.71%	0.00%
Pakistan Oilfields Limited	25,850	-	3,780	16,200	13,440	7,524,048	5,709,581	(1,814,467)	5.88%	3.04%	0.00%
Mart Petroleum Company Limited	6,520	-	536	2,980	4,096	5,608,467	5,062,083	(546,384)	5.21%	2.70%	0.00%

#### Engineering

International Industries Limited	18,600	-	-	13,700	4,900	1,138,221	754,845	(383,376)	0.78%	0.40%	0.00%
International Steels Limited	40,000	-	-	10,500	29,500	3,000,150	1,940,215	(1,059,935)	2.00%	1.03%	0.01%
Amrel Steels Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	-	10,000	-	-	10,000	507,220	404,500	(102,720)	0.42%	0.22%	0.00%

#### Fertilizer

Engro Corporation Limited	53,400	4,700	-	25,400	32,700	10,241,789	9,518,316	(723,473)	9.80%	5.07%	0.01%
Fauji Fertilizer Company Limited	77,500	5,000	-	48,000	34,500	3,414,847	3,203,325	(211,522)	3.30%	1.71%	0.00%
Engro Fertilizers Limited	193,000	20,500	-	115,000	98,500	7,449,456	6,801,425	(648,031)	7.00%	3.62%	0.01%

#### Chemical

Engro Polymer and Chemicals Limited	56,000	65,000	-	2,000	119,000	4,152,105	4,419,660	267,555	4.55%	2.35%	0.01%
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Name of the Investee Company	As at July 01, 2018	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Holding as a percentage of paid-up capital of the investee company
	Number of shares					Rupees			Percentage		%

#### Textile Composite

Nisat Mills Limited	-	41,500	-	-	41,500	5,950,934	5,250,985	(699,939)	5.41%	2.80%	0.01%
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#### Automobile Assembler

Milat Tractors Limited	-	1,240	-	140	1,100	1,251,533	915,189	(336,344)	0.94%	0.49%	0.00%
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#### Pharmaceuticals

The Searle Company Limited	-	4,300	105	3,600	805	234,273	197,700	(36,573)	0.20%	0.11%	0.00%
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#### Technology & Communication

Systems Limited	-	5,000	-	-	5,000	532,500	549,350	16,850	0.57%	0.29%	0.00%
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#### Total as at December 31, 2018

111,389,432      97,106,873      (14,282,559)

#### Total as at June 30, 2018

182,867,978      179,618,807      (3,249,171)



5.1.1 Investments include shares having a market value (in aggregate) amounting to Rs 22.001 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Investee Company	December 31, 2018		June 30, 2018	
	Number of shares	Rupees	Number of shares	Rupees
Engro Corporation Limited	19,900	5,792,492	19,900	6,245,814
Pakistan Petroleum Limited	25,750	3,853,745	25,750	5,533,675
Oil and Gas Development Company Limited	32,500	4,160,000	32,500	5,057,650
Pakistan Oilfields Limited	8,300	3,526,006	8,300	5,575,857
Pakistan State Oil Limited	6,150	1,386,395	6,150	1,957,607
Kot Addu Power Company	66,250	3,282,688	66,250	3,571,538
MCB Bank Limited	-	-	27,000	2,206,440
Meezan Bank Limited	27,000	2,494,530	-	-
	<u>185,850</u>	<u>22,001,325</u>	<u>185,850</u>	<u>30,148,580</u>

## 5.2 Sukuk certificates - listed

(Certificates having a face value of Rs. 100,000 each unless stated otherwise)

Description	As at July 01, 2018	Purchased during the year	Disposed / matured during the year	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
	Number of certificates				Rupees			Percentage		
Dawood Hercules Corporation Limited	300	-	-	300	30,407,500	30,001,620	(405,880)	20.43%	15.99%	0.58%
<b>Total as at December 31, 2018</b>					<u>30,407,500</u>	<u>30,001,620</u>	<u>(405,880)</u>			
<b>Total as at June 30, 2018</b>					<u>30,407,500</u>	<u>30,060,000</u>	<u>(347,500)</u>			

## 5.3 Sukuk certificates - unlisted

(Certificates having a face value of Rs. 100,000 each unless stated otherwise)

Description	As at July 01, 2018	Purchased during the year	Disposed / matured during the year	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
	Number of certificates				Rupees			Percentage		
International Brands Limited	200	-	-	200	20,000,000	19,744,280	(255,720)	13.44%	10.52%	0.71%
<b>Total as at December 31, 2018</b>					<u>20,000,000</u>	<u>19,744,280</u>	<u>(255,720)</u>			
<b>Total as at June 30, 2018</b>					<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>			

	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
	-----Rupees -----	
<b>5.4 Unrealised loss on revaluation of investments classified as at 'fair value through profit or loss' - net</b>		
Market value of investments	146,852,773	229,678,807
Less: carrying value of investments	<u>(161,806,932)</u>	<u>(233,275,578)</u>
	<u>(14,954,159)</u>	<u>(3,596,771)</u>

#### 5.5 Non compliant investment

Name of non compliant investment	Type of investment	Value of Investment before provision	Provision balance as on July 1, 2018	Provision during the period	Provision held, if any	Value of investment after provision	Fair value as a percentage of:		Credit rating
							Net assets	Gross assets	
----- (Rupees) -----									
Dawood Hercules Corporation Limited	Sukuk	30,001,620	-	-	-	30,001,620	15.99	15.82	AA

	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
		-----Rupees -----	
<b>6 PAYABLE TO THE MANAGEMENT COMPANY</b>			
Management fee payable	6.1	361,996	520,240
Sindh sales tax payable on management remuneration	6.2	47,053	67,637
Preliminary expenses and floatation cost payable to the management company		-	344,310
Front end load payable		41,100	-
Payable against allocated expenses	6.3	45,196	139,510
Payable against marketing and selling expenses	6.4	514,117	558,045
		<u>1,009,462</u>	<u>1,629,742</u>

- 6.1 The Management company has charged remuneration at the rate of 2% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13%. (June 30, 2018: 13%).
- 6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	December 31,	June 30,
		2018 (Un-audited)	2018 (Audited)
		-----Rupees -----	
Auditors' remuneration payable		247,840	384,125
Printing charges payable		44,514	34,478
Brokerage payable		59,251	34,197
Settlement charges		-	17,678
Shariah advisory fee payable		361,579	180,121
Front end load payable		-	107,261
Withholding tax payable		998	56
Capital value tax payable		1,317	1,225
Provision against Sindh Workers' Welfare Fund	7.1	4,938	4,938
Other payables		34,006	34,040
		<u>754,443</u>	<u>798,119</u>

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis.

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at December 31, 2018 would have been higher by Re 0.0025 per unit (June 30, 2018: Re. 0.0017 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 9 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.93% which includes 0.20% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

## 10 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

## 11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

### 11.1 Unit Holders' Fund

	For the period from July 1, 2018 to December 31, 2018									
	As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	As at December 31, 2018	As at July 1, 2017	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2018
	(Units)				(Rupees)					
<b>Unit holder holding 10% or more Units</b>										
Barret Hodgson Pakistan (Private) Limited	499,498	-	1,056	-	500,554	50,096,903	-	105,937	-	46,738,058
	For the period from October 12, 2017 to December 31, 2017									
	As at October 12, 2017	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	As at December 31, 2017	As at October 12, 2017	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Net asset value as at December 31, 2017
	(Units)				(Rupees)					
<b>Unit holder holding 10% or more Units</b>										
Barret Hodgson Pakistan private Limited	-	499,498	-	-	499,498	-	50,000,000	-	-	50,388,269

	For the half year ended December 31, 2018	For the period from October 12, 2017 to December 31, 2017
	(Rupees)	(Rupees)
<b>11.1 Other transactions</b>		
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	2,570,692	1,403,596
Sindh sales tax on remuneration of the Management Company	334,676	182,467
Allocated expenses	128,529	1,098
Selling and marketing expenses	514,117	4,391
Sales load	74,455	
<b>Bank Alfalah Limited</b>		
Profit on bank balances	98,496	165,479
Sales load	1,494,511	1,647,982
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	352,885	155,861
Sindh sales tax on remuneration of the Trustee	45,352	20,249
Settlement charges	100,000	100,000
	<b>December 31, 2018</b>	<b>June 30, 2018</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>-----Rupees -----</b>	
<b>11.2 Other balances</b>		
<b>Associated companies / undertakings</b>		
<b>Alfalah GHP Investment Management Limited - Management Company</b>		
Management remuneration payable	361,996	520,240
Sindh sales tax payable on management remuneration	47,053	67,637
Payable against allocated expenses	45,196	139,510
Payable against marketing and selling expenses	514,117	558,045
Sales load payable	41,100	-
Preliminary expenses and floatation cost payable to the management company	-	344,310
<b>Bank Alfalah Limited</b>		
Bank balances	6,813,132	15,914,076
Profit receivable on bank balances	60,234	20,852
Sales load payable	-	107,261
<b>Other related parties</b>		
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	59,475	57,548
Sindh sales tax payable on Trustee remuneration	7,666	7,440
Security deposit	100,000	100,000

## 12 FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 12.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>At fair value through profit or loss</b>				
- Listed equity securities	97,106,873	-	-	97,106,873
- Sukuk certificates	-	49,745,900	-	49,745,900
	<u>97,106,873</u>	<u>49,745,900</u>	<u>-</u>	<u>146,852,773</u>
	-----As at June 30, 2018 -----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>At fair value through profit or loss</b>				
- Listed equity securities	179,618,807	-	-	179,618,807
- Sukuk certificates	-	50,060,000	-	50,060,000
	<u>179,618,807</u>	<u>50,060,000</u>	<u>-</u>	<u>229,678,807</u>

During the period ended December 31, 2018, 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.

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**13 CORRESPONDING FIGURES**

Corresponding figures have been reclassified and rearranged, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.

**14 GENERAL**

**14.1** Figures are rounded off to the nearest Pakistani rupee.

**14.2** Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subject to limited scope review by the auditors.

**15 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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**Alfalah**  
**Capital Preservation Fund-II**



## FUND INFORMATION

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Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Muhammad Tauqir Zafar Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Mr. Adeel Bajwa Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Muhammad Tauqeer Zafar
HR Committee:	Syed Ali Sultan Mr. Tufail Jawed Ahmad Ms. Maheen Rahman (CEO) Mr. Adeel Bajwa
Risk Committee:	Mr. Tufail Jawed Ahmad Syed Ali Sultan Mr. Muhammad Tauqeer Zafar Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary :	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

**TRUSTEE REPORT TO THE UNIT HOLDERS**  
**ALFALAH CAPITAL PRESERVATION FUND II**

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah Capital Preservation Fund II (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 six months period ended December 31, 2018 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.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 26, 2019

## **AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

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### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alfalah Capital Preservation Fund II** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (Alfalah GHP Investment Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**A.F. Ferguson & Co.**  
Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: **21 February, 2019**

Karachi

**ALFALAH CAPITAL PRESERVATION FUND-II**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2018**

		<b>December 31, 2018</b>	<b>June 30, 2018</b>
	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		----- <b>(Rupees)</b> -----	
<b>Assets</b>			
Bank balances	4	689,002,912	933,283,999
Investments	5	397,998,086	185,220,443
Security deposits		2,600,000	2,600,000
Dividend, profit and other receivable		11,408,181	4,047,664
Preliminary expenses and floatation cost		3,390,426	4,650,695
<b>Total assets</b>		<b>1,104,399,605</b>	<b>1,129,802,801</b>
<b>Liabilities</b>			
Payable to the Management Company	6	3,775,159	9,679,028
Payable to the Trustee		137,196	136,265
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		421,245	118,642
Payable against purchase of investments		5,945,994	-
Accrued expenses and other liabilities	7	649,209	1,089,421
<b>Total liabilities</b>		<b>10,928,803</b>	<b>11,023,356</b>
<b>Net assets attributable to unit holders</b>		<b>1,093,470,802</b>	<b>1,118,779,445</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,093,470,802</b>	<b>1,118,779,445</b>
<b>Contingencies and commitments</b>			
	8	----- <b>Number of units</b> -----	
<b>Number of units in issue</b>		<b>10,984,996</b>	<b>11,209,583</b>
		----- <b>Rupees</b> -----	
<b>Net asset value per unit</b>		<b>99.54</b>	<b>99.81</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH CAPITAL PRESERVATION FUND-II**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Note	Half year ended December 31, 2018	Quarter ended December 31, 2018
<b>INCOME</b>			
------(Rupees)-----			
Dividend income		5,680,675	2,981,175
Loss on sale of investments - net		(8,684,203)	(8,548,794)
Unrealised loss on revaluation of investments - net	5.4	(24,956,705)	(22,162,722)
Income on Pakistan Investment Bonds		7,021,260	4,550,928
Income on Market Treasury Bills		25,522,881	13,068,393
Profit on bank balances		5,984,344	3,163,495
Back end load		1,126,145	883,077
Reversal of provision against Sindh Workers Welfare Fund		-	201,561
<b>Total income</b>		<u>11,694,397</u>	<u>(5,862,887)</u>
<b>EXPENSES</b>			
Remuneration of the Management Company	6.1	8,425,388	4,190,570
Sindh sales tax on remuneration of the Management Company	6.2	1,095,303	544,776
Allocated expenses	6.3	561,665	279,357
Selling and marketing expenses	6.4	1,284,947	192,629
Remuneration of the Trustee		730,200	363,184
Sindh sales tax on remuneration of the Trustee		94,928	47,215
Annual fee to the Securities and Exchange Commission of Pakistan		421,270	209,528
Brokerage charges		190,180	122,794
Bank charges		58,833	30,839
Auditors' remuneration		288,515	144,256
Annual listing fee		13,821	6,905
Amortisation of floatation costs		1,260,269	630,139
Printing and related costs		35,380	17,695
<b>Total expenses</b>		<u>14,460,699</u>	<u>6,779,887</u>
<b>Net loss for the period before taxation</b>		<u>(2,766,302)</u>	<u>(12,642,774)</u>
Taxation	9	-	-
<b>Net loss for the period after taxation</b>		<u>(2,766,302)</u>	<u>(12,642,774)</u>
<b>Allocation of net income for the period</b>			
Net loss for the period after taxation		(2,766,302)	(12,642,774)
Income already paid on units redeemed		-	5,208
		<u>(2,766,302)</u>	<u>(12,637,566)</u>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		<u>-</u>	<u>-</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

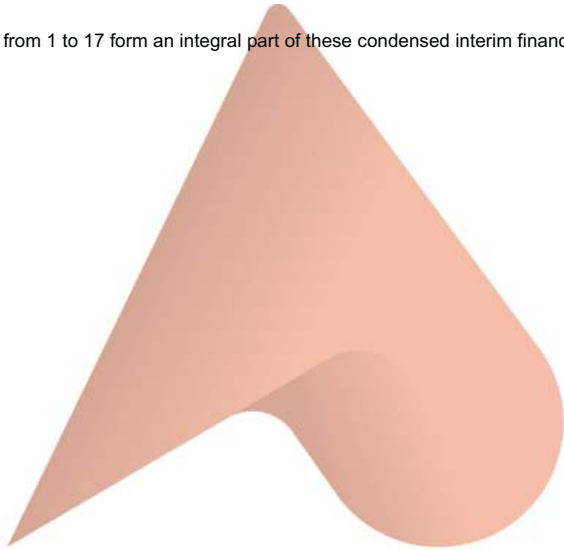
\_\_\_\_\_  
Director

**ALFALAH CAPITAL PRESERVATION FUND-II**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

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	Half year ended December 31, 2018	Quarter ended December 31, 2018
	------(Rupees)-----	
<b>Net income for the period after taxation</b>	(2,766,302)	(12,642,774)
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<u>(2,766,302)</u>	<u>(12,642,774)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH CAPITAL PRESERVATION FUND-II**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018		
	Capital value	Undistribut ed income	Total
	(Rupees)		
Capital value	1,120,977,895	-	1,120,977,895
Undistributed income brought forward			
- Realised income	-	2,133,614	2,133,614
- Unrealised loss	-	(4,332,064)	(4,332,064)
<b>Net assets at beginning of the year [Rs. 99.81 per unit]</b>	<u>1,120,977,895</u>	<u>(2,198,450)</u>	<u>1,118,779,445</u>
Issuance of Nil units			
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-
- Element of income	-	-	-
Total proceeds on issuance of units	-	-	-
Redemption of 224,587 units			
- Capital value (at net asset value per unit at the beginning of the year)	22,415,040	-	22,415,040
- Element of loss	127,301	-	127,301
Total payments on redemption of units	22,542,341	-	22,542,341
Total comprehensive income for the period	-	(2,766,302)	(2,766,302)
Distribution during the period	-	-	-
Net income for the period less distribution	-	(2,766,302)	(2,766,302)
<b>Net assets at end of the period [Rs. 99.54 per unit]</b>	<u>1,098,435,554</u>	<u>(4,964,752)</u>	<u>1,093,470,802</u>
<b>Undistributed income carried forward</b>			
- Realised income		19,991,953	
- Unrealised loss		(24,956,705)	
		<u>(4,964,752)</u>	
<b>Accounting income available for distribution</b>			
- Relating to capital gain		-	
- Excluding capital gain		-	
		<u>-</u>	

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**ALFALAH CAPITAL PRESERVATION FUND-II**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	December 31, 2018
Note	-- (Rupees) --
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the period before taxation	(2,766,302)
<b>Adjustments for:</b>	
Amortisation of floatation costs	1,260,269
Unrealised loss on revaluation of investments classified as at fair value through profit or loss - net	24,956,705
	<u>23,450,672</u>
<b>Increase in assets</b>	
Investments - net	(237,734,348)
Dividend, profit and other receivable	(7,360,517)
	<u>(245,094,865)</u>
<b>(Decrease) / increase in liabilities</b>	
Payable to the Management Company	(5,903,869)
Payable to the Trustee	931
Annual fee payable to the Securities and Exchange Commission of Pakistan	302,603
Payable against purchase of investments	5,945,994
Accrued expenses and other liabilities	(440,212)
	<u>(94,553)</u>
<b>Net cash flows used in operating activities</b>	<u>(221,738,746)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Amount received against issuance of units	-
Amount paid against redemption of units	(22,542,341)
<b>Net cash generated from financing activities</b>	<u>(22,542,341)</u>
<b>Net decrease in cash and cash equivalents during the period</b>	<u>(244,281,087)</u>
Cash and cash equivalents at beginning of the period	933,283,999
<b>Cash and cash equivalents at end of the period</b>	<u>12</u> <u>689,002,912</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For Alfalah GHP Investment Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



## ALFALAH CAPITAL PRESERVATION FUND-II

### NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

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#### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah Capital Preservation Fund II (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 28, 2018 between Alfalah GHP Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (the SECP). The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.2 The Fund has been categorised as a "Capital Protected Scheme" pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.3 According to the trust deed, the objective of the Fund is to provide capital preservation to investors upon maturity by dynamically allocating a portion of the Trust Property in fixed income instruments in capital protection segment, and remaining in equity market as investment segment or any other SECP permitted investments to provide investors with better returns which the Fund aims to deliver mainly by investing in equity securities, Government securities, cash in bank accounts and any other instruments that may be allowed by the SECP.
- 1.4 The duration of the Fund will be of 2 years starting from the close of initial offering period. The maturity date of the Fund is May 11, 2020.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) dated August 10, 2018 to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee which was May 11, 2018. Accordingly these condensed interim financial statements do not include condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund for the period ended December 31, 2018.

#### 2. BASIS OF PREPARATION

##### 2.1 Statement Of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the period ended June 30, 2018.
- 2.1.3 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2018.

### **3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN**

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2018, except for the change in accounting policy as explained in note 3.2.
- 3.2 Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt and equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after July 1, 2018 that have a material effect on these condensed interim financial statements of the Fund.

- 3.3 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements as at and for the period ended June 30, 2018.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the period ended June 30, 2018.

		<b>December 31, 2018 (Un-audited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	----- Rupees -----	-----
<b>4. BANK BALANCES</b>			
In savings accounts	4.1	<u>689,002,912</u>	<u>933,283,999</u>

- 4.1 The rate of return on these accounts ranges between 8.00% to 10.73% (June 30, 2018: 4% to 7.35%) per annum. These include bank balances of Rs. 536.364 million (June 30, 2018: Rs. 474.873 million) maintained with Bank Alfalah Limited (a related party).

		<b>December 31, 2018 (Un-audited)</b>	<b>June 30, 2018 (Audited)</b>
	<b>Note</b>	----- Rupees -----	-----
<b>5. INVESTMENTS</b>			
<b>'At fair value through profit or loss'</b>			
Listed equity securities	5.1	151,923,086	185,220,443
Market Treasury Bills	5.2	-	-
Pakistan Investment Bonds	5.3	<u>246,075,000</u>	<u>-</u>
		<u>397,998,086</u>	<u>185,220,443</u>

#### 5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	Number of shares / certificates					As at December 31, 2018			Market value as a percentage of net assets	Holding as a percentage of Paid up capital of the investee company
	As at July 1, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	Carrying Cost	Market value	Unrealised gain / (loss)		
	(Number of shares)					(Rupees)			(%)	
<b>Fertilizer</b>										
Engro Corporation Limited	37,900	8,000	-	13,300	32,600	10,092,111	9,489,208	(602,903)	0.87%	0.01%
Engro Fertilizers Limited	185,500	-	-	23,500	162,000	12,135,420	11,186,100	(949,320)	1.02%	0.01%
Fauji Fertilizers Company Limited	108,000	37,500	-	69,000	76,500	7,393,993	7,103,025	(290,968)	0.65%	0.01%
Fauji Fertilizer Bin Qasim Limited	20,500	-	-	5,000	15,500	598,300	577,685	(20,615)	0.05%	0.00%
						<u>30,219,824</u>	<u>28,356,018</u>	<u>(1,863,806)</u>		
<b>Chemicals</b>										
Engro Polymer & Chemicals Limited	-	123,000	-	-	123,000	4,622,480	4,568,220	(54,260)	0.42%	0.01%
						<u>4,622,480</u>	<u>4,568,220</u>	<u>(54,260)</u>		
<b>Commercial banks</b>										
Bank AlFalah Limited (a related party)	91,000	106,000	9,100	19,000	187,100	8,933,801	7,594,389	(1,339,412)	0.69%	0.01%
Bank Al-Habib Limited	62,500	17,500	-	17,500	62,500	4,855,803	4,299,375	(556,428)	0.39%	0.01%
Faysal Bank Limited	98,000	-	-	15,000	83,000	2,158,000	1,997,810	(160,190)	0.18%	0.01%
Habib Bank Limited	47,000	74,500	-	67,500	54,000	7,970,474	6,504,300	(1,466,174)	0.59%	0.00%
Meezan Bank Limited	-	10,000	-	10,000	-	-	-	-	0.00%	0.00%
Habib Metropolitan Bank Limited	35,000	-	-	35,000	-	-	-	-	0.00%	0.00%
MCB Bank Limited	29,000	-	-	2,000	27,000	5,339,790	5,226,390	(113,400)	0.48%	0.00%
United Bank Limited	13,400	62,100	-	16,000	59,500	9,469,432	7,297,080	(2,172,352)	0.67%	0.00%
The Bank of Punjab	360,500	145,000	-	85,000	420,500	5,122,763	5,033,385	(89,378)	0.46%	0.02%
						<u>43,850,063</u>	<u>37,952,729</u>	<u>(5,897,334)</u>		
<b>Cement</b>										
D.G. Khan Cement Company Limited	-	97,000	-	82,000	15,000	1,264,219	1,202,250	(61,969)	0.11%	0.00%
Lucky Cement Limited	-	38,950	-	29,700	9,250	4,107,500	4,020,698	(86,802)	0.37%	0.00%
Kohat Cement Limited	-	17,500	-	4,500	13,000	1,141,601	1,104,220	(37,381)	0.10%	0.01%
Maple Leaf Cement Factory Limited	-	166,000	-	86,000	80,000	3,798,939	3,252,000	(546,939)	0.30%	0.01%
						<u>10,312,259</u>	<u>9,579,168</u>	<u>(733,091)</u>		
<b>Power generation and distribution</b>										
Hub Power Company Limited	198,000	-	-	107,500	90,500	8,340,480	7,763,995	(576,485)	0.71%	0.01%
Kot Addu Power Company Limited	67,000	74,500	-	25,500	116,000	6,348,666	5,747,800	(600,866)	0.53%	0.01%
						<u>14,689,146</u>	<u>13,511,795</u>	<u>(1,177,351)</u>		
<b>Oil and gas marketing companies</b>										
Pakistan State Oil Company Limited	24,100	5,000	4,820	10,600	23,320	6,028,733	5,257,028	(771,705)	0.48%	0.01%
						<u>6,028,733</u>	<u>5,257,028</u>	<u>(771,705)</u>		
<b>Oil and gas exploration companies</b>										
Mari Petroleum Company Limited	7,300	700	760	1,260	7,500	10,227,689	9,268,950	(958,739)	0.85%	0.01%
Oil and Gas Development Company Limited	178,500	-	-	72,500	106,000	16,495,720	13,568,000	(2,927,720)	1.24%	0.00%
Pakistan Oilfields Limited	23,350	-	4,360	11,950	15,760	8,822,842	6,695,163	(2,127,679)	0.61%	0.01%
Pakistan Petroleum Limited	131,000	-	18,150	55,500	93,650	17,500,335	14,015,659	(3,484,676)	1.28%	0.00%
						<u>53,046,586</u>	<u>43,547,772</u>	<u>(9,498,814)</u>		

Name of the investee company	Number of shares / certificates					As at December 31, 2018			Market value as a percentage of net assets	Holding as a percentage of Paid up capital of the investee company
	As at July 1, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at December 31, 2018	Carrying Cost	Market value	Unrealised gain / (loss)		
	(Number of shares)					(Rupees)			(%)	
<b>Textile composite</b>										
Gul Ahmed Textile Mills Limited	-	17,000	-	-	17,000	856,010	784,890	(71,120)	0.07%	0.00%
Nishat Mills Limited	1,500	44,200	-	-	45,700	6,222,309	5,782,421	(439,888)	0.53%	0.01%
Nishat Chunian Limited	-	37,500	-	-	37,500	1,969,881	1,821,750	(148,131)	0.17%	0.02%
						9,048,200	8,389,061	(659,139)		
<b>Engineering</b>										
Mughal Iron & Steel Industries Limited	5,000	-	-	-	5,000	307,100	202,250	(104,850)	0.02%	0.00%
International Steels Limited	13,500	-	-	5,000	8,500	864,450	559,045	(305,405)	0.05%	0.00%
						1,171,550	761,295	(410,255)		
<b>Total as at December 31, 2018</b>						<b>172,988,841</b>	<b>151,923,086</b>	<b>(21,065,755)</b>		
<b>Total as at June 30, 2018</b>						<b>189,552,507</b>	<b>185,220,443</b>	<b>(4,332,064)</b>		

5.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

Name of investee Company	December 31, 2018	June 30, 2018	December 31, 2018	June 30, 2018
	Number of shares		Rupees	
Engro Fertilizers Limited	19,500	19,500	1,346,475	1,460,745
Engro Corporation Limited	6,000	6,000	1,746,480	1,883,160
Fauji Fertilizer Company Limited	18,000	18,000	1,671,300	1,780,020
Fauji Fertilizer Bin Qasim Limited	10,500	10,500	391,335	405,300
Hub Power Company Limited	15,000	15,000	1,286,850	1,382,400
Kot Addu Power Company Limited	4,500	4,500	222,975	242,595
Pakistan Slate Oil Company Limited	2,100	2,100	473,403	668,451
Oil & Gas Development Company Limited	15,000	15,000	1,920,000	2,334,300
Pakistan Oilfields Limited	2,550	2,550	1,083,291	1,713,065
Pakistan Petroleum Limited	9,000	9,000	1,346,940	1,934,100
Nishat Mills Limited	1,500	1,500	189,795	211,380
International Steels Limited	4,500	4,500	295,965	457,650
Mughal Iron & Steel Industries Limited	2,500	2,500	101,125	153,550
Bank Alfalah Limited	21,000	21,000	852,390	1,098,090
Habib Bank Limited	15,000	15,000	1,806,750	2,496,600
MCB Bank Limited	9,000	9,000	1,742,130	1,779,930
United Bank Limited	9,000	9,000	1,103,760	1,520,820
The Bank of Punjab	37,500	37,500	448,875	452,625
	<u>202,150</u>	<u>202,150</u>	<u>18,029,839</u>	<u>21,974,781</u>

## 5.2 Market Treasury Bills

Tenor	Units				Carrying Value as at December 31, 2018	Market value as at December 31, 2018	Unrealised gain / (loss)	Market value as a percentage of	
	As at July 1, 2018	Purchased during the period	Sold /Maturity during the period	As at December 31, 2018				Net assets of the fund	Total market value of investments
Market Treasury Bills - 3 months		4,015,000,000	4,015,000,000	-		-	-	-	-
<b>Total as at December 31, 2018</b>		<b>4,015,000,000</b>	<b>4,015,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total as at June 30, 2018</b>		<b>2,150,000,000</b>	<b>2,150,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 5.3 Pakistan Investment Bonds

Name of the Investee company	Yield per annum	Maturity	Face value				Carrying Value as at December 31, 2018	Market as at December 31, 2018	Unrealised loss	Market value as a percentage of		
			As at July 01, 2018	Purchased during the period	Sold during the period	Matured during the period				As at December 31, 2018	Net assets of the fund	Total market value of investments
Pakistan Investment Bonds	8.37% - 8.75%	9-Aug-28	-	250,000,000	-	-	250,000,000	249,965,950	246,075,000	(3,890,950)	22.50%	61.83%
<b>Total as at December 31, 2018</b>							<b>249,965,950</b>	<b>246,075,000</b>	<b>(3,890,950)</b>			
<b>Total as at June 30, 2018</b>							<b>-</b>	<b>-</b>	<b>-</b>			

## 5.4 Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net

**December 31, 2018**  
**(Un-audited)**  
----- Rupees -----  
**June 30, 2018**  
**(Audited)**

	Note	December 31, 2018 (Un-audited)	June 30, 2018 (Audited)
Market value of investments	5.1, 5.2 & 5.3	397,998,086	185,220,443
Less: cost of investments	5.1, 5.2 & 5.3	(422,954,791)	(189,552,507)
		<u>(24,956,705)</u>	<u>(4,332,064)</u>

## 6 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	6.1	1,400,930	1,391,382
Sindh sales tax payable on management remuneration	6.2	182,124	180,880
Payable against allocated expenses	6.3	561,664	158,181
Payable against marketing and selling expenses	6.4	1,630,441	308,585
Preliminary expenses and floatation cost payable to the management company		-	5,000,000
Payable in respect of security deposits		-	2,600,000
Payable in respect of initial deposit for opening of bank accounts		-	40,000
		<u>3,775,159</u>	<u>9,679,028</u>

- 6.1 The Management Company has charged remuneration at a rate of 1.5% of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13% (June 30, 2018: 13%).
- 6.3 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged accounting and operational expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.
- 6.4 In accordance with Regulation 60 of the NBFC Regulations the Management Company has charged selling and marketing expenses at the rate of 0.4% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund.

	<b>December 31, 2018</b>	<b>June 30, 2018</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	----- Rupees -----	
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Auditors' remuneration payable	293,482	156,167
Brokerage payable	199,738	298,558
Settlement charges payable	16,077	935
Sales load payable	-	501,354
Printing charges	42,969	9,798
Withholding tax payable	83,122	98,621
Annual rating fee payable	13,821	-
Capital value tax payable	-	23,988
	<u>649,209</u>	<u>1,089,421</u>

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018 and June 30, 2018.

## 9 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the fund to distribute 90% net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of the second schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

## 10 EARNINGS PER UNIT (EPU)

Earnings per unit has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

## 11 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.30% which includes 0.15% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as a capital protected scheme.

	<b>Half year ended December 31, 2018 (Un-audited) -- Rupees --</b>
<b>12 CASH AND CASH EQUIVALENTS</b>	
Bank balances	<u>689,002,912</u>

### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

#### 13.1 Other transactions

**Half year ended  
December 31,  
2018  
(Un-audited)  
-- Rupees --**

##### **Associated companies / undertakings**

##### **Alfalah GHP Investment Management Limited - Management Company**

Remuneration of the Management Company	<u>8,425,388</u>
Sindh sales tax on remuneration of the Management Company	<u>1,095,303</u>
Allocated expenses	<u>561,665</u>
Selling and marketing expenses	<u>1,284,947</u>

##### **Bank Alfalah Limited**

Profit on bank balances	<u>3,061,705</u>
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##### **Alfalah GHP Money Market Fund**

Market Treasure Bills - purchased	<u>39,332,640</u>
Market Treasure Bills - sold	<u>39,685,000</u>

##### **Alfalah GHP Sovereign Fund**

Market Treasure Bills - sold	<u>196,107,400</u>
Pakistan Investment Bonds - purchased	<u>49,347,500</u>



**Half year ended  
December 31,  
2018  
(Un-audited)  
-- Rupees --**

**Other related parties**

<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Remuneration of the Trustee	730,200
Sindh sales tax on remuneration of the Trustee	94,928

**13.2 Other balances**

**December 31,  
2018  
(Un-audited)  
----- Rupees -----  
June 30,  
2018  
(Audited)**

**Associated companies / undertakings**

**Alfalah GHP Investment Management Limited -  
Management Company**

Management remuneration payable	1,400,930	1,391,382
Sindh sales tax payable on management remuneration	182,124	180,880
Payable against allocated expenses	561,664	158,181
Payable against marketing and selling expenses	1,630,441	308,585
Preliminary expenses and floatation cost payable to the management company	-	5,000,000
Payable in respect of security deposits	-	2,600,000
Payable in respect of initial deposit for opening of bank accounts	-	40,000

**Bank Alfalah Limited**

Bank balance	536,363,937	474,873,676
Profit receivable on bank balance	1,772,251	484,108
Sales load payable	-	501,354

**Other related parties**

**Central Depository Company of Pakistan Limited - Trustee**

Trustee remuneration payable	121,412	109,531
Sindh sales tax payable on Trustee remuneration	15,784	26,734
Security deposit	100,000	100,000

**14 FAIR VALUE MEASUREMENTS**

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

## 14.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

As at December 31, 2018, the Fund held the following financial instruments measured at fair value:

December 31, 2018				
Level 1	Level 2	Level 3	Total	
----- Rupees -----				
<b>Investments 'at fair value through profit or loss'</b>				
Listed equity securities	151,923,086	-	-	151,923,086
Pakistan Investment Bonds	-	246,075,000	-	246,075,000
	<u>151,923,086</u>	<u>246,075,000</u>	<u>-</u>	<u>397,998,086</u>
June 30, 2018				
Level 1	Level 2	Level 3	Total	
----- Rupees -----				
<b>Investments 'at fair value through profit or loss'</b>				
Listed equity securities	<u>185,220,443</u>	<u>-</u>	<u>-</u>	<u>185,220,443</u>

During the half year ended December 31, 2018, 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.

## 15 CORRESPONDING FIGURES

Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

## 16 GENERAL

16.1 Figures are rounded off to the nearest Pakistani Rupee.

16.2 Figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 have not been subject to limited scope review by the statutory auditors of the Fund.

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**17 DATE OF AUTHORISATION FOR ISSUE**

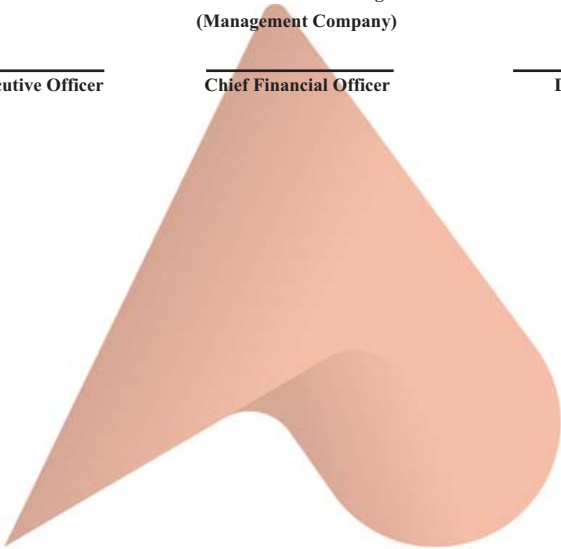
These condensed interim financial statements were authorised for issue on **February 20, 2019** by the Board of Directors of the Management Company.

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

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**



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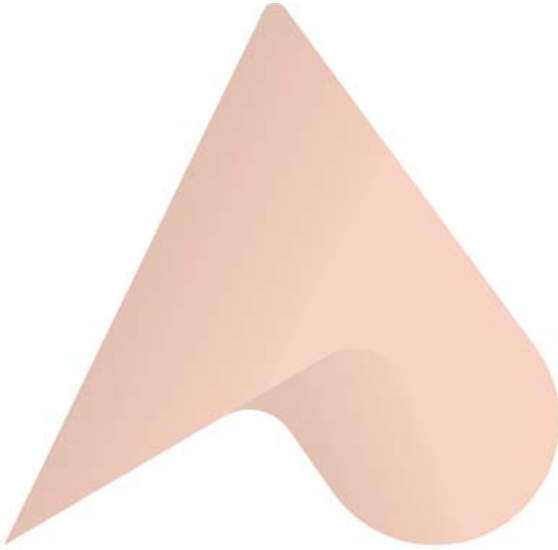
اظہار تشکر

ڈائریکٹر ذاقابل قدر معاونت، مدداور رہنمائی پر سیکورٹیز اینڈ ایجوکیشن کمیشن آف پاکستان کے شکر گزار ہیں۔ بورڈنگ اور صحت پر مینجمنٹ کمپنی کے ملازمین اور سٹا کا اور مینجمنٹ میں اعتماد پر یونٹ ہولڈرز کا بھی شکر یادا کرتے ہیں۔

منجانب بورڈ

چیف ایگزیکٹو آفیسر

کراچی:



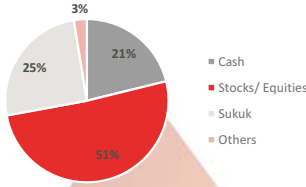
## الفلاح IGHF اسلامک ویلیو فنڈ

فنڈ نے بیچ مارک 6.87 فیصد کمانے کے برعکس 6.91 فیصد ریٹرن کمایا۔ CY18 کے دوران، فنڈ نے 6.87 فیصد بیچ مارک ریٹرن کے برعکس 7.22 فیصد ریٹرن کمایا۔

پے آؤٹ

سال کے اختتام کے بعد، فنڈ نے 0.236 روپے فی یونٹ کا نقد منافع منقسمہ یونٹ ہولڈرز کو ادا کیا ہے۔

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

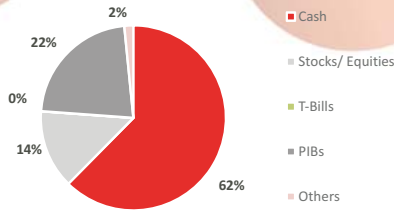
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	254.97	378.66
Gross loss	-10.06	5.11
Net comprehensive loss	-14.98	2.94
Net Assets Value per Unit (Rs.)	93.3727	100.8779
Issuance of units during the period	62.95	383.77
Redemption of units during the period	-150.04	-8.04

## الفلاح کیپیٹل پریزیرویشن فنڈ II

فنڈ نے بیچ مارک 1.56 فیصد کے برعکس 0.26 فیصد کا YTD ریٹرن کمایا۔ CY18 کے دوران، فنڈ کا ریٹرن 1.67 فیصد بیچ مارک کے برعکس 0.46 فیصد تھا۔

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018
Average Net Assets	1,114.16
Gross loss	11.69
Net comprehensive loss	-2.77
Net Assets Value per Unit (Rs.)	99.5422
Issuance of units during the period	-
Redemption of units during the period	-22.54

**Key Financial Data *Alfalah GHP Islamic Prosperity Planning Fund***

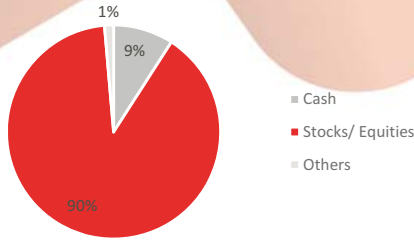
(Rupees in Million)

Description	Islamic Active Allocation Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III
	Half year ended December 31, 2017			
Average Net Assets	1,405.25	2,247.98	1,874.38	1,032.02
Gross income	-154.44	-45.02	-188.17	-53.45
Total Comprehensive Income	-158.43	50.61	-191.80	-55.86
Net Assets Value per Unit (PKR)	99.67	103.39	91.58	94.63
Issuance of units during the period	0.09	555.73	-	-
Redemption of units during the period	-164.63	-1,780.47	-32.58	-10.68

الغلاف GHP اسلامک ڈیڈیکیشنڈ ایکٹیو فنڈ

فنڈ نے بیچ مارک 13.91 فیصد کے برعکس -10.24 فیصد ریڑن کمایا۔ CY18 کے دوران، فنڈ نے 10.84 فیصد بیچ مارک ریڑن کے برعکس -7.76 فیصد ریڑن کمایا۔

Asset Allocation  
(as at 31 December 2018)



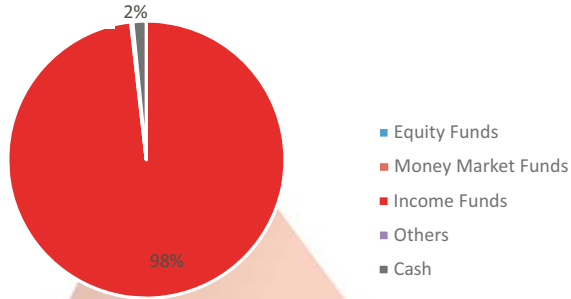
**Key Financial Data**

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	1,275.87	1,138.68
Gross loss	-123.66	-66.02
Net comprehensive loss	-139.94	-76.98
Net Assets Value per Unit (Rs.)	76.2170	82.6237
Issuance of units during the period	255.00	989.76
Redemption of units during the period	-798.40	-462.52

الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ - کیپٹل پرزرویشن پلان V  
 CY18 اور HFY19 کے لئے، فنڈ نے 0.13 فیصد کا بیچ مارک ریٹرن کمانے کے برعکس 0.29 فیصد کا ریٹرن کمایا۔

## Asset Allocation (as at 31 December 2018)



### Key Financial Data *Alfalah GHP Islamic Prosperity Planning Fund*

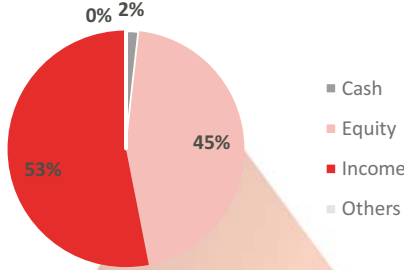
(Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	Half year ended December 31, 2018					
Average Net Assets	575.74	1,073.69	1,636.26	944.94	651.97	104.27
Gross income	11.83	11.34	-55.26	-37.48	15.28	0.39
Total Comprehensive Income	10.72	9.52	-57.54	-38.93	11.87	0.31
Net Assets Value per Unit (PKR)	99.73	100.30	88.17	91.21	101.66	100.29
Issuance of units during the period	-	192.70	-	-	896.14	104.22
Redemption of units	-347.78	-703.25	-611.66	-75.19	-414.55	-0.004

الفلاح GHP اسلامک پرائیویٹ لمیٹڈ - ایکویٹی لینڈ III پلان

1HFY19 اور CY18 کے لئے، فنڈ نے بالترتیب 6.50 فیصد اور 5.86 فیصد بیچ مارک ریٹرن کمانے کے برعکس بالترتیب 4.26 فیصد اور 3.63 فیصد کار ریٹرن کمایا۔

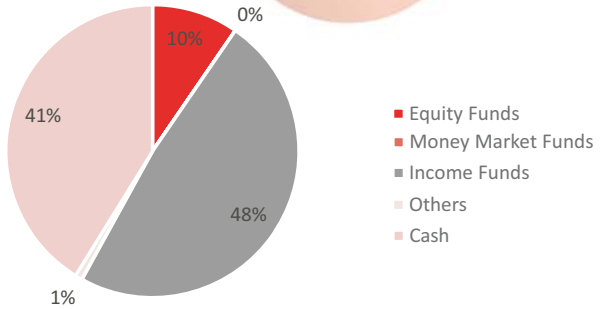
**Asset Allocation**  
(as at 31 December 2018)



الفلاح GHP اسلامک پرائیویٹ لمیٹڈ - کیپیٹل پرویزرویشن پلان IV

1HFY19 اور CY18 کے لئے، فنڈ نے 0.13 فیصد کا بیچ مارک ریٹرن کمانے کے برعکس 0.29 فیصد کار ریٹرن کمایا۔

**Asset Allocation**  
(as at 31 December 2018)

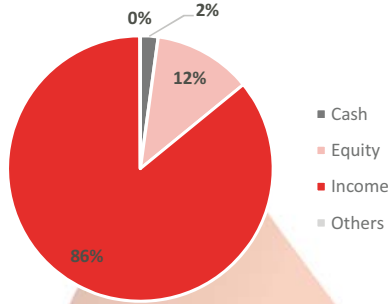




الفلاح GHP اسلاک پراسیوریٹی پلاننگ فنڈ۔ ہیئٹس ایجوکیشن پلان

1HFY19 اور CY18 کے لئے، فنڈ نے بالترتیب -0.64 فیصد اور 0.95 فیصد بیچ مارک کمانے کے برعکس بالترتیب 0.87 فیصد اور 2.87 فیصد کارڈین کمایا۔

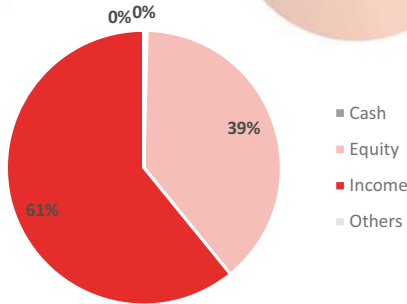
Asset Allocation  
(as at 31 December 2018)



الفلاح GHP اسلاک پراسیوریٹی پلاننگ فنڈ۔ ایکٹو ایجوکیشن پلان II

1HFY19 اور CY18 کے لئے، فنڈ نے بالترتیب -6.89 فیصد اور -5.82 فیصد بیچ مارک کمانے کے برعکس بالترتیب -4.59 فیصد اور -3.72 فیصد کارڈین کمایا۔

Asset Allocation  
(as at 31 December 2018)



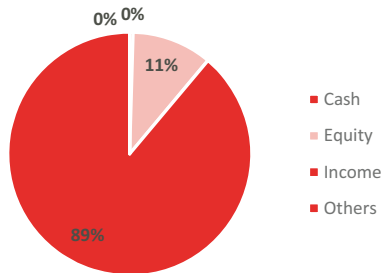
**Key Financial Data *Alfaluh GHP Prosperity Planning Fund***

(Rupees in Million)

Description	Alfaluh GHP Active Allocation Plan	Alfaluh GHP Conservative Allocation Plan	Alfaluh GHP Moderate Allocation Plan	Alfaluh GHP Active Allocation Plan	Alfaluh GHP Conservative Allocation Plan	Alfaluh GHP Moderate Allocation Plan
	Half year ended December 31, 2018			Half year ended December 31, 2017		
<i>Average Net Assets</i>	428.29	344.58	476.16	513.56	414.36	652.76
<i>Gross income</i>	-17.44	3.16	-10.86	-51.17	-4.54	-39.34
<i>Total Comprehensive Income</i>	-18.19	2.16	-11.84	-52.09	-5.73	-40.91
<i>Net Assets Value per Unit (PKR)</i>	100.34	103.87	96.97	105.18	108.68	102.17
<i>Issuance of units during the period</i>	3.57	76.02	22.91	244.39	35.80	77.93
<i>Redemption of units during the period</i>	-171.44	-158.36	-140.38	-2.33	-96.30	-308.48

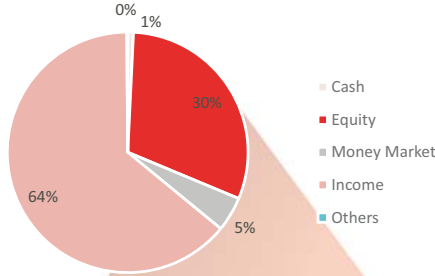
الفلاح GHP اسلامک پراسپیریٹی پلاننگ فنڈ- ماڈریٹ الیویشن پلان  
1HFY19 اور CY18 کے لئے، فنڈ نے بالترتیب 0.27 فیصد اور 2.88 فیصد بیچ مارک کمانے کے برعکس بالترتیب 1.82 فیصد اور 3.17 فیصد کارٹریڈن کیا۔

**Asset Allocation**  
(as at 31 December 2018)



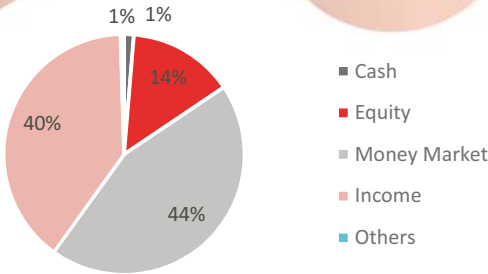
الفلاح GHP پراسپیریٹی پلاننگ فنڈ- ماڈریٹ ایلوکیشن پلان  
 کے لئے، فنڈ کا ریٹرن بالترتیب 0.74 فیصد اور 2.46 فیصد بیچ مارک ریٹرن کے برعکس بالترتیب 2.82 فیصد اور 0.96 فیصد پر قائم رہا۔

**Asset Allocation - Moderate**  
 (as at 31 Dec 2018)



الفلاح GHP پراسپیریٹی پلاننگ فنڈ- کنزرویٹو ایلوکیشن پلان  
 کے لئے، فنڈ کا ریٹرن بالترتیب 2.19 فیصد اور 5.58 فیصد بیچ مارک ریٹرن کے برعکس بالترتیب 0.49 فیصد اور 2.65 فیصد پر قائم رہا۔

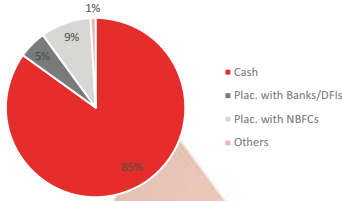
**Asset Allocation - Conservative**  
 (as at 31 Dec 2018)



## الفلاح GHP مٹھی مارکیٹ فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP مٹھی مارکیٹ فنڈ (AGMMF) نے 7.64 فیصد ریٹرن کیا جبکہ گزشتہ سال کی اسی مدت کے دوران 7.36 فیصد بیچ مارک کیا۔ CY18 کے دوران، فنڈ کا ریٹرن 6.45 فیصد کی بیچ مارک کے برعکس 6.72 فیصد پر برقرار رہا۔

Asset Allocation  
(as at 31 December 2018)



## Key Financial Data

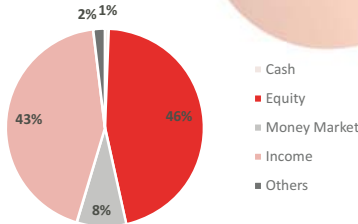
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	9,663.94	2,061.77
Gross loss	421.85	57.42
Net comprehensive loss	378.54	47.47
Net Assets Value per Unit (Rs.)	97.8844	99.9790
Issuance of units during the period	18,546.72	4,167.53
Redemption of units during the period	-9,695.96	-3,393.37

## الفلاح GHP پراسپیریٹی پلاننگ فنڈ - ایکٹو ایلیکشن پلان

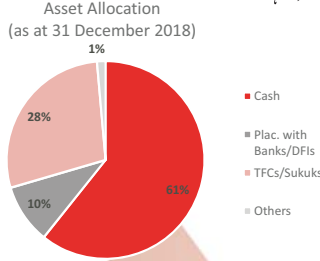
1HFY19 اور CY18 کے لئے، فنڈ کا ریٹرن بالترتیب 4.25 فیصد اور 1.20 فیصد بیچ مارک ریٹرن کے برعکس بالترتیب 5.54 فیصد اور 3.92 فیصد پر قائم رہا۔

Asset Allocation - Active  
(as at 31 Dec 2018)



## الفلاح GHP اسلامک آفمنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP اسلامک آفمنڈ نے 5.80 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران 2.85 فیصد کا اوسط ریٹرن پیش مارک کمایا۔ CY18 کے دوران فنڈ کارٹریٹن 2.64 فیصد کی پیش مارک کے برعکس 5.12 فیصد پر برقرار رہا۔



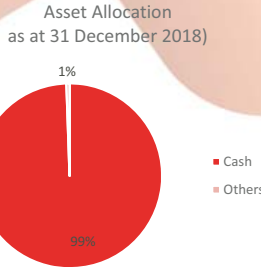
### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	4,613.59	7,230.37
Gross loss	175.27	177.15
Net comprehensive loss	134.53	129.97
Net Assets Value per Unit (Rs.)	104.1986	103.2993
Issuance of units during the period	3,055.80	6,179.14
Redemption of units during the period	-2,866.46	-1,853.89

## الفلاح GHP کیش فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP کیش فنڈ (AGCF) نے 6.28 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کا پیش مارک 7.36 فیصد ریٹرن کمایا۔ CY18 کے دوران، فنڈ کارٹریٹن 6.45 فیصد کی پیش مارک کے برعکس 5.81 فیصد پر برقرار رہا۔



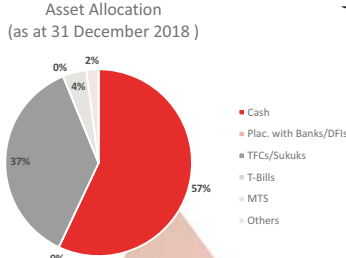
### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	119.84	105.07
Gross loss	5.35	5.43
Net Comprehensive Loss	3.70	3.41
Net Assets Value per Unit (Rs.)	512.55	507.17
Issuance of units during the period	54.02	217.17
Redemption of units during the period	-93.97	-1,521.76

## الفلاح GHP اےکم لٹی پلائز فنڈ

مدت کے دوران، الفلاح GHP اےکم لٹی پلائز فنڈ نے 2.90 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کا بیچ مارک 9.49 فیصد پر قائم رہا۔ CY18 کے دوران، فنڈ کار بیٹرن 8.21 فیصد کی بیچ مارک کے برعکس 4.03 فیصد پر برقرار رہا۔



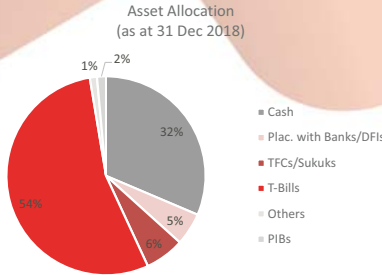
### Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	489.39	1,558.78
Gross loss	13.45	67.01
Net comprehensive loss	7.58	46.71
Net Assets Value per Unit (Rs.)	54.0240	54.4815
Issuance of units during the period	873.41	1,297.57
Redemption of units during the period	-1,059.05	-1,525.23

## الفلاح GHP سو ریٹن فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP سو ریٹن فنڈ نے 6.15 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کا بیچ مارک 8.74 فیصد کمایا۔ CY18 کے دوران، کار بیٹرن 7.57 فیصد کی بیچ مارک کے برعکس 5.79 فیصد پر برقرار رہا۔



### Key Financial Data

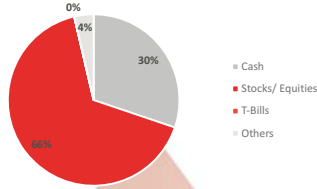
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	911.26	1,331.89
Gross loss	37.08	38.95
Net Comprehensive Loss	27.66	28.09
Net Assets Value per Unit (Rs.)	109.0379	108.1708
Issuance of units during the period	1,522.02	650.44
Redemption of units during the period	-1,411.44	-567.99

## الفلاح GHP ویلیو فنڈ

مالی سال 19 کی پہلی ششماہی کے دوران، AGVF نے گزشتہ سال کی اسی مدت کے دوران 5.44 فیصد بیچ مارک ریٹرن کے برعکس 7.27 فیصد ریٹرن کے ساتھ اپنی بیچ مارک کی خراب کارکردگی کا مظاہرہ کیا۔ CY18 کے دوران، فنڈ نے 2.60 فیصد کی بیچ مارک ریٹرن کے برعکس 5.43 فیصد کار ریٹرن کمایا۔

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

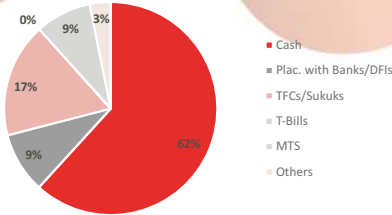
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	1,965.51	2,256.60
Gross loss	-103.80	-319.94
Net comprehensive loss	-136.79	-362.26
Net Assets Value per Unit (Rs.)	51.43	60.77
Issuance of units during the period	702.19	911.69
Redemption of units during the period	-812.60	-382.03

## الفلاح AGIF آئی ایم فنڈ

زیر جائزہ مدت کے دوران، AGIF نے 3.74 فیصد ریٹرن کمایا جبکہ آئی ایم فنڈ کا بیچ مارک 9.75 فیصد پر واپس آ گیا۔ CY18 کے دوران، فنڈ کار ریٹرن 7.74 فیصد کی بیچ مارک کے برعکس 5.42 فیصد پر برقرار رہا۔

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

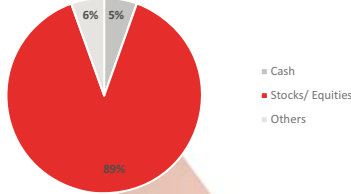
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	391.50	545.08
Gross loss	14.38	29.64
Net Comprehensive Loss	10.34	19.99
Net Assets Value per Unit (Rs.)	115.1357	114.4389
Issuance of units during the period	482.84	992.00
Redemption of units during the period	-703.58	-1229.73

## الفلاح IGHF اسٹاک فنڈ

مالی سال 19 کی پہلی ششماہی کے دوران AGISTF نے 10.48 فیصد کارٹریڈن کمایا جبکہ اسی مدت کے دوران اپنا بیچ مارک ریٹرن 13.91 فیصد کمایا۔ CY18 کے دوران، فنڈ نے 10.84 فیصد کی بیچ مارک ریٹرن کے برعکس 8.85 فیصد کارٹریڈن کمایا۔

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

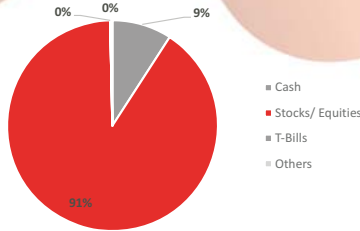
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Net Assets at end of the period	3,983.35	5,049.85
Gross loss	-353.25	-1,309.62
Net comprehensive loss	-417.60	-1,431.04
Net Assets Value per Unit (Rs.)	44.80	61.19
Issuance of units during the period	1,477.34	1,556.50
Redemption of units during the period	-1,307.81	-4,205.79

## الفلاح IGHF اسٹاک فنڈ

مالی سال 19 کی پہلی ششماہی کے دوران، AGSF نے گزشتہ سال کی اسی مدت کے دوران 11.56 فیصد بیچ مارک (KSE-100) ریٹرن کے برعکس 12.45 فیصد کارٹریڈن کمایا۔ CY18 کے دوران، فنڈ نے 11.56 فیصد کی بیچ مارک ریٹرن کے برعکس 10.56 فیصد کارٹریڈن کمایا۔

Asset Allocation  
(as at 31 December 2018)



### Key Financial Data

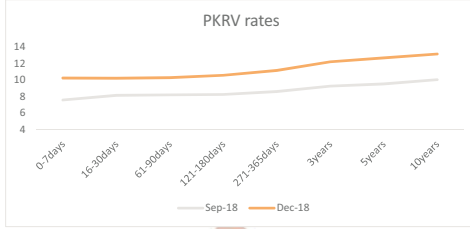
Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	2,487.21	2,320.76
Gross loss	-286.39	-474.16
Net Comprehensive Loss	-328.25	-523.23
Net Assets Value per Unit (Rs.)	104.16	131.13
Issuance of units during the period	769.24	981.65
Redemption of units during the period	-379.36	-858.40



## مٹی مارکیٹ کا جائزہ

پیداوار واپس دو ہندسوں میں بڑھ گئی کیونکہ پالیسی شرح 425bps (6.25 فیصد سے 10.25 فیصد تک) تک زیادہ ہو گئی۔ شرحوں میں اضافہ پاکستانی روپیہ امریکی ڈالر کی برابری میں

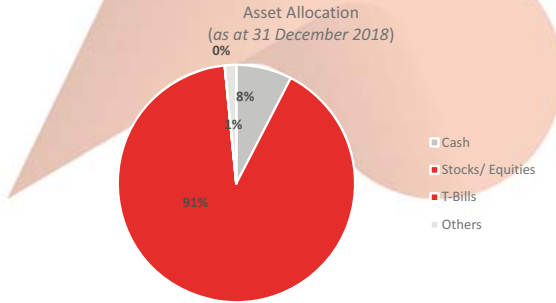


24% کمی کی وجہ سے کمزور ایکسٹرنل حالت کی مدد اور درآمدہ افراط زر کو محدود کرنے کے لئے ضروری تھا۔ سال کے دوران ایس بی پی نے مختصر مدتی آلات کی خاطر بھاری سکیورڈ شرکت کے ساتھ، 2017 میں 12.6 ٹریلین روپے کے مقابلے ٹریڈری بلز سے 19.6 ٹریلین روپے حاصل کئے۔ سرمایہ کاروں کو طویل مدتوں کی طرف آمادہ کرنے کے لئے سنٹرل بینک نے چلی دفعہ فلونگ ریٹ بانڈز جاری کئے جنہیں زبردست پذیرائی حاصل ہوئی اور ایک طویل مدتی انٹریسٹ ریٹ بیج کے ساتھ مفید اعلیٰ پیداوار دینے والے آلات ثابت ہوئے۔ آگے بڑھتے ہوئے، پیداوار کا خط ایس بی پی کی طرف سے فیصلہ کردہ پالیسی ایکشن کا آئینہ ہوگا اور مائیکرو حالات 2019 میں بھی ترقی ہی رہنے کی توقع کی جاتی ہے۔

## فیڈ کے آپریشنز اور کارکردگی

### الغلاف GHP الفاٹنز

مالی سال 19 کی پہلی ششماہی کے دوران، AGAF نے گزشتہ اسی مدت کے دوران 11.56 فیصد کی بیچ مارک (KSE-100) ریٹرن کے برعکس 12.11 فیصد کا ریٹرن کمایا۔ CY18 کے دوران، فنڈ نے 8.41 فیصد کی بیچ مارک ریٹرن کے برعکس 10.39 فیصد کا ریٹرن کمایا۔



## Key Financial Data

Rs. In million

Description	Half year ended December 31, 2018	Half year ended December 31, 2017
Average Net Assets	1,689.48	1,618.08
Gross Loss / income	-199.98	-278.34
Net comprehensive income	-228.13	-308.59
Net Assets Value per Unit (Rs.)	59.03	71.12
Issuance of units during the period	1,114.99	602.83
Redemption of units during the period	-1,245.42	-169.35

## ڈائریکٹرز کی رپورٹ برائے 31 دسمبر 2018 مختصر ششماہی

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 دسمبر 2018 کو ختم ہونے والی ششماہی کے لئے الفلاح GHP اگم پٹی پائرنٹنڈ (AGIMF)، الفلاح GHP کیش فنڈ (AGCF)، الفلاح GHP اسلامک اسٹاک فنڈ (AGISTF)، الفلاح GHP الفانڈ (AGAF)، الفلاح GHP ویلفیونڈ (AGVF)، الفلاح GHP سورجیجی فنڈ (AGSOF)، الفلاح GHP اگم فنڈ (AGIF)، الفلاح GHP اسٹاک فنڈ (AGSTF)، الفلاح GHP مٹی مارکیٹ فنڈ (AGMMF)، الفلاح GHP اسلامک اگم فنڈ (AGIIF)، الفلاح GHP پراسپیئرٹی پلاننگ فنڈ (AGPPF)، الفلاح GHP اسلامک پراسپیئرٹی پلاننگ فنڈ (AGIPPF)، الفلاح GHP ڈیڈ ویکیوڈ ایکویٹی فنڈ (AGIDEF)، الفلاح GHP اسلامک ویلفیونڈ، الفلاح کینٹینل پریزرویشن فنڈ (AGCPF ID) II کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

### معاشی جائزہ

اقتصادی حالات عام طلب کی کمی کے باعث بڑے پیمانے کی مینوفیکچرنگ میں قابل ذکر کمی کے ساتھ گزشتہ سہ ماہی سے خراب ہو رہے ہیں۔ نسومی رفتار میں کمی اعلیٰ افراط زار اور روپیہ کی قدر میں کمی (CY17) مختصر کو 110.7 پاکستانی روپے / ڈالر کے مقابلے میں CY17 مختصر کو 138.9 پاکستانی روپے / ڈالر کے طور پر براہ راست دیکھی جاسکتی ہے، جن میں سے دونوں نے ختم ہونے والے سہ ماہی کی اکیلے ایک جانرہ 200 بی بی ایس اضافے کے مشاہدہ کے ساتھ کیلنڈر سال کے دوران 425 بی بی ایس سودی شرح بڑھادی ہے۔ ایس بی بی کی طرف سے مسلسل Hawkish پالیسی ایجنٹس کے اثرات کی پرونی کاؤٹس میں بھی دیکھے جاسکتے ہیں کیونکہ برآمدات کو مستحکم کیا گیا ہے اور ان میں اضافہ کا رجحان بڑھ رہا ہے جبکہ درآمدات قابل ذکر کمی ہو رہی ہے۔ بین الاقوامی تیل کی قیمتوں کی تیز بومر درآمدات میں کمی کے ساتھ اس رجحان میں مدد ملی ہے۔ اس اضافی تزیلات زر کے ساتھ اس اشتراک کے نتیجے میں مالی سال 18 کی پہلی ششماہی کے مقابلے کرنٹ اکاؤنٹ خسارہ میں 4.43% تک مجموعی کمی ہوئی ہے۔ نئی حکومت نے نومبر 2018 میں آئی ایم ایف کے ساتھ رسمی مذاکرات کا آغاز کیا۔ ایف ایکس خانہ پر عبوری دباؤ کا اعطاء کرنے کے لئے، دوستانہ ڈومز ممالک کو ایس بی بی کے ساتھ پہلے ہی چند مالی امداد دینے اور کام کرنے والوں کو ٹیپ کیا گیا ہے۔ یہ ادا دہنگی کے بحران کے کسی بھی فوری توازن پر قابو پانے میں مدد کرے گا، لیکن ملک کے ترقی کے فروغ کو یقینی بنانے کے لئے طویل مدتی قابل بھروسہ اصلاحاتی پروگرام کی اشد ضرورت ہوگی۔ آگے بڑھتے ہوئے، ہم امید کرتے ہیں کہ پاکستان۔ آئی ایم ایف مذاکرات جلد ہی ختم اور 2019 کے دوران پاکستان کے لئے امدادی پیکیج کی کچھ صورت کو جتنی کرے گا۔ اس پیکیج کے اندر لا کوثر اٹل کی نوعیت بڑی حد تک طے کرے گی کہ گہری اقتصادی نمونگی طرح کم ہوگی۔ اس کے باوجود، سخت مالی اور مانیٹری حالات CY19 کے دوران افراط زار اور نمونگی کو محدود کر دیں گے لیکن اس میں کچھ ضروری استحکام بھی فراہم کریں گے۔

### ایکویٹی مارکیٹ کا جائزہ

CY18، اے ای 100 انڈیکس نے معیشت کی رفتارست اور مانیٹری پالیسی کے سخت اور پورے سال میں ایسے حالات قائم رہنے کی طرف اشارہ کیا ہے۔ سال کے اختتام پر CY18 میں بیٹھ مارک انڈیکس کی 8.41% تک کمی، جنفی کارکردگی کا مسلسل دوسرا سال درج کر رہی ہے۔ شعبہ واد آمدنی سائیکل کیلچر میں نمایاں طور پر کم ہوئی جبکہ دفاعی اسٹاکس اقتصادی ہیڈنگز کے برعکس قدرتی بیج کے باعث اپننڈ بید رہا ہے۔ انڈیکس نے سال بھر میں بہت سے تسلسل دیکھے لیکن آئی ایم ایف پروگرام کی نمائش کی کمی اور FY18 اور FY19 کے دوران کم آمدنی کے امکان کی وجہ سے کسی واضح سمت کو برقرار رکھنے میں ناکام رہا ہے۔ CY18 میں اوسط یومیٹرن اور 5.8 فیصد سے 96.6 بلین حصص کے ساتھ شرکت بھی کم تھی۔ اسٹاک مارکیٹ کے لئے وفاقی بیٹ FY19 زیادہ تر مثبت تھا۔ نئے اقدامات جنہوں نے مارکیٹ جذبات کو بہتر بنایا، میں کارپوریٹ گیس میں 2023 تک 25 فیصد بتدریج کمی، اسٹاک بروکرز کمیشن پر پیکیج کی تبدیلی، یونٹ حصص میں 5 فیصد گیس کا خاتمہ اور پلانٹ اور مشینری میں سرمایہ کاری کے لئے ٹیکس رعایت کی آخری تاریخ میں توسیع شامل ہیں۔ نئی حکومت نے وسط ستمبر 2018 کے دوران مٹی بیٹ بھی متعارف کرایا جس میں مالیاتی خسارہ میں بہتری کی طرف اشارہ کیا گیا۔ آگے بڑھتے ہوئے، آمدنی کے سائیکل میں بحالی ان شعبوں جنہیں اعلیٰ شرح سود / کمزور کرنسی ماحول سے فائدہ حاصل ہو، کی خاص طور پر مارکیٹ کارکردگی کو بڑھانے میں مدد ملے گی۔ مالی معاوضت کے پروگراموں کے بارے میں مذاکرات کی ہمواری کی بہتر جہت میں بھی اضافہ ہوگی۔

