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FUND'S INFORMATION

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



MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of the Alfalah GHP Income Multiplier Fund for the year ended June 30, 2015.

FY15 Economic Review

Macroeconomic landscape improved drastically over FY15. As agreed with the IMF, Pakistan's reform program was prioritized as the government increased utility prices multiple times to combat circular debt and curtail resource subsidies. The government also successfully privatized (completely or partially) United Bank Limited, Habib Bank Limited, Allied Bank Limited and Pakistan Petroleum Limited - thereby elevating its foreign exchange reserves. Although the divestment of Oil & Gas Development Company fell through due to under-subscription, the government was able to offset this by an immensely successful conventional Eurobond issuance of USD 2.0 bn and Shariah compliant Eurobond issuance of USD 1.0 bn.

As a result of those well-timed privatization and Eurobond issuances, the federal government was able to increase foreign exchange reserves from USD 14.1bn to USD 18.2bn. The rise in reserves was also helped by a 63% drop in Arab light crude oil price (from a high of USD 112.98/bbl to low of USD 41.36/bbl), which had a trickledown effect on reserves via trade and current accounts. As a result of cheaper oil, total import bill fell by 1.5%, which in turn pushed trade deficit lower by 28%. Current account balance over 11MFY15 stood at USD 1.98bn as compared to USD 3.03bn in corresponding period last year - down by 34%. Better external accounts and rising foreign exchange reserves kept the currency in check as the PKR lost only 3% against the greenback over FY15 as opposed to historical depreciation of 5%. Headline inflation clocked in at a decade low of 2.11% in Apr'15, and averaged 4.56% for the entire year. In addition to a high base effect, disinflation was primarily led by a fall in food and commodity prices. Curtailed inflation allowed the central bank to reduce the key policy rate by 300bps over FY15.

As a result of improvement of macroeconomic indicators, Moody's rating agency upgraded Pakistan's sovereign credit rating from Caa1 to B3 during the year. With the government focused aggressively on privatization, infrastructure spending, fiscal consolidation and its energy reform agenda, further macroeconomic improvement can be expected over FY16.

Equity Market:

The benchmark index gained 16% in FY15 (13% in USD terms) compared to 42% in FY14. Although multiple sectors posted substantial price appreciation, the overall index could not keep up pace because of the sluggish performance put up by the index heavy-weight Oil & Gas and Banking sector.

Volumes of the KSE-100 index remained largely flat at 140.0mn per day over FY15. However, the value traded improved by a decent 26% to USD 90mn per day. Trading activity was more diversified this time around as substantial price appreciation was witnessed in second-tier and third-tier stocks. During the year, the KSE-All Share Index appreciated by 9%, while the KSE-100 index appreciated by 16%.

In terms of net investment at the bourse, mutual funds took the lead with net buying of USD 122.0mn, while Banks/DFIs were the biggest net sellers at USD138.0mn. Foreigners invested a net amount of mere USD 39.0mn over FY15, compared to net inflow of USD 262.0mn in FY14 and USD 553.0mn in FY13.

Sector wise analysis reveals that automobile manufacturers, cement players and electricity producers enjoyed the most success among heavy-weight sectors. The automobile sector appreciated by 94% due to margin growth and rise in sales. The cement sector observed 47% appreciation on the bourse on account of 3.5% rise in cement dispatches and prospects

of higher construction spending in the coming years. The electricity sector appreciated by 63% on account of attractive dividend yields in the midst of falling interest rate scenario. Other sectors that posted handsome returns include Chemicals (+41%), Food Producers (+14%), Pharmaceutical & Biotech (+31%), General Industrials (+34%) and Engineering (+75%). On the other hand, Oil & Gas sector lost 25% in value terms owing to fall in crude oil prices, while commercial banks lost 6% of value owing to falling net interest margins.

Despite rise in capital gain tax in budget FY16, the equity market is expected to remain upbeat on account of improving broader macroeconomic picture, successful negotiations with bilateral and multilateral partners and improving perception among foreign investors, healthy corporate earnings, higher aggregate demand and better business climate. Possible inclusion of Pakistan in MSCI Emerging Market Index and upgrade to B3 category by Moody's rating agency shall also highlight and elevate the bourse on the international platform over FY16. Most of the ingredients for a buoyant market remain in place with discount rate and inflation at a decade low and external account outlook stable. As alternate fixed income returns continue to drop, we see interest shifting towards equities.

Money Market:

On account of record low inflation that touched a low of 2.11%, and averaged 4.56% for the year, the central bank reduced the discount rate by 300bps over four monetary policies. With inflation under control, the SBP aimed at boosting aggregate demand and demand for loanable funds. This easing cycle brought down bond yields by 430bps (3Y), 371bps (5Y) and 306bps (10Y). Yields, however, were quick to rebound marginally in Jun'15 on account of profit-taking, deposit mobilization by banks and prevalence of illiquidity.

The year was particularly generous to bond fund managers who maintained high duration PIB exposures. Yields slipped substantially on these longer-tenor instruments, generating multi-year high returns. The government increased its borrowing horizon considerably and funded the fiscal gap via longer-tenor PIBs as opposed to T-bills. Barring unforeseen circumstances, we expect the market to remain range bound over the next six months as interest rates are largely expected to stay flat over this period. The easing cycle appears to have bottomed out and it remains to be seen when exactly a reversal will kick in.

Overall outlook

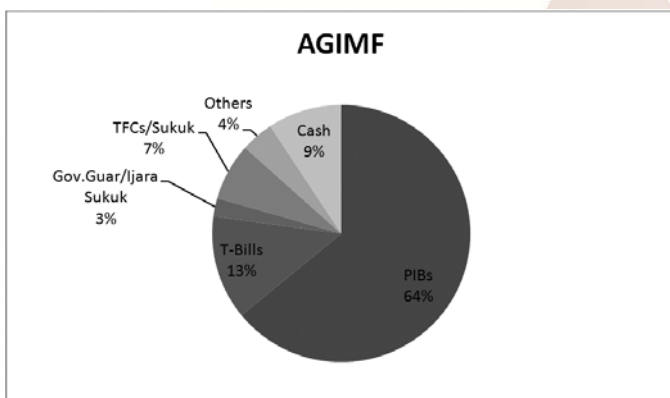
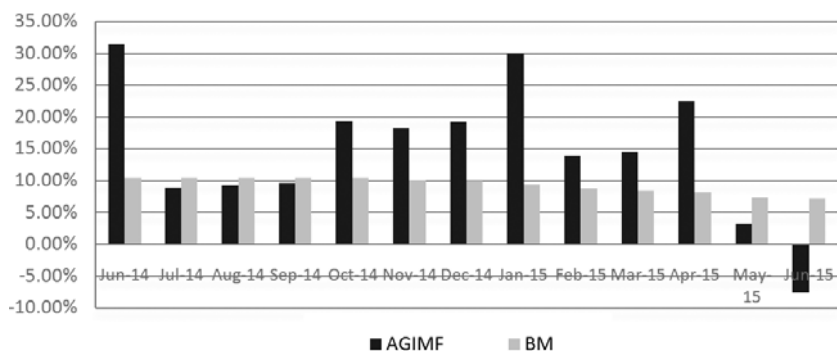
Political stability and a faster pace of economic reform will be key elements of the government's strategy to revive GDP growth over FY16. Significant issues remain unresolved and to a certain level unaddressed - in particular structural issues within the power sector, pace of tax collection and a general reluctance to widen the tax net will all filter into weaker economic growth and a miss in key budgetary targets. Positive developments on the external front need to be matched with stronger revenue generation on the internal side so that the economy may re-rate to an overall better level of growth.

FUND PERFORMANCE AND REVIEW**Alfalah GHP Income Multiplier Fund: Fund Operations and Performance**

During the year under review the Fund posted an appreciation of 14.18% in NAV. During the same period the benchmark return (12M Kibor) was 9.27%. The performance resulted primarily on the back of reduction in the discount rate which caused a price rally in government bonds. The fund followed a strategy of maintaining low cash levels and focus remained on short to mid-term government treasuries. The strategy of remaining heavily invested in government bonds paid off as the fund remained a top performer in its category. The bottom line was further supported by capturing placements with banks and DFI's at better rates.

The fund's credit rating has been upgraded to "A+(f)" by PACRA. The fund size on June 30th 2015 stood at PKR 1.706 bn compared to PKR 1.566 bn on June 30th 2014.

AGIMF Return vs Benchmark



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2015	For the year ended June 30 ,2014
Net Assets	1,706.002	1,565.954
Gross income	366.637	105.774
Total Comprehensive Income	228.561	152.369
Net Assets Value per Unit (Rs.)	50.63	48.07
Issuance of units during the period	1,626.853	1,475.864
Redemption of units during the period	1,660.344	311.549

Payout

At the end of the year under review, the fund paid out cash dividend of Rs.4.2480 per unit

Future Outlook

Going forward, the Fund plans to maintain its position in treasury securities while keeping a moderate duration by investing in medium term Government bonds. The fund will maintain low cash reserves, opting for short term T-Bills and high yielding placements to bolster the bottom line.

Corporate Governance

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

- a) Financial Statement represents fairly the state of affairs of funds under management of Alfalah GHP Investment Management Limited, the results of their operations, cash flow and the changes in Unit-holders funds.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon Funds under management of Alfalah GHP Investment Management Limited's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- h) The summary of key financial data is given above in this Director Report.
- i) Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- j) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- k) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2015 as given in note # 19.2.
- l) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2015 is given in note # 19.2.

Board of Directors

Name of Director	Designation	Meetings Held	Meeting Attended	Leave Granted
Syed Ali Sultan	Chairman	6	5	67th BOD
Mr. Amin Dawood Saleh	Director	6	4	62nd & 67th BOD
Mr. Michael Buchen	Director	6	6	-
Mr .David Burlison	Director	-	-	-
Mr. Hanspeter Beier	Director	6	3	64th, 65th & 67th BOD
Ms. Maheen Rahman	Chief Executive Officer	6	6	-
Mr. Abid Naqvi	Director	6	6	-
Mr. Asif Saad *	Director	6	2	64th, 65th, 66th & 67th BOD

* Subsequent to the year end, Mr. Asif Saad resigned from the Board of Directors of the Company with effect from July 9, 2015

Change in Board Members during the period

Name	Designation	Appointed	Resigned
Mr. Michael Buchen	Director	Appointed	
Mr .David Burlison	Director	-	Resigned

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

Audit Committee Meetings

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

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

Acknowledgement

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

For and on behalf of the Board

August 24, 2015
Karachi.

Maheen Rahman
Chief Executive

REPORT OF THE FUND MANAGER

Type of Fund

Open-end Scheme

Category of Fund

Aggressive Income Scheme

Investment Objective

The investment objective of Alfalah GHP Income Multiplier Fund (AGIMF) is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.

Accomplishment of Objective

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

Market Review

On account of record low inflation that touched as low as 2.11%, and averaged 4.56% for the year, the central bank reduced the discount rate by 300bps over four monetary policies. With inflation under control, the SBP aimed at boosting aggregate demand and demand for loanable funds. This easing cycle brought down bond yields by 430bps (3Y), 371bps (5Y) and 306bps (10Y). Yields, however, were quick to rebound marginally in Jun'15 on account of profit-taking, deposit mobilization by banks and prevalence of illiquidity.

The year was particularly generous to bond fund managers who maintained high duration PIB exposures. Yields slipped substantially on these longer-tenor instruments, generating multi-year high returns. The government increased its borrowing horizon considerably and funded the fiscal gap via longer-tenor PIBs as opposed to T-bills. The SBP conducted 12 PIB auctions over FY15 and targeted PKR 750bn in borrowings. The bank mopped up a sizeable PKR 1,042bn against this target. Out of total acceptance, 45% was borrowed via 3Y PIB, 28% via 5Y PIB and remaining 21% via 10Y PIB.

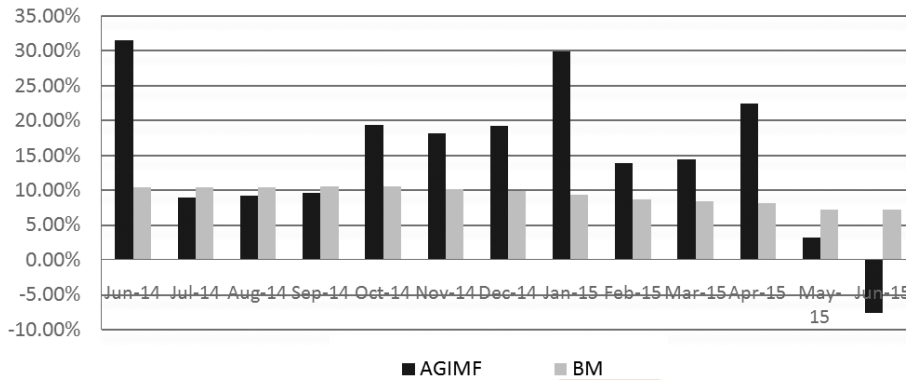
Barring unforeseen circumstances, we expect the market to remain range bound over the next six months as interest rates are largely expected to stay flat over this period. The easing cycle appears to have bottomed out and it remains to be seen when exactly a reversal will kick in.

Fund performance review and strategies employed

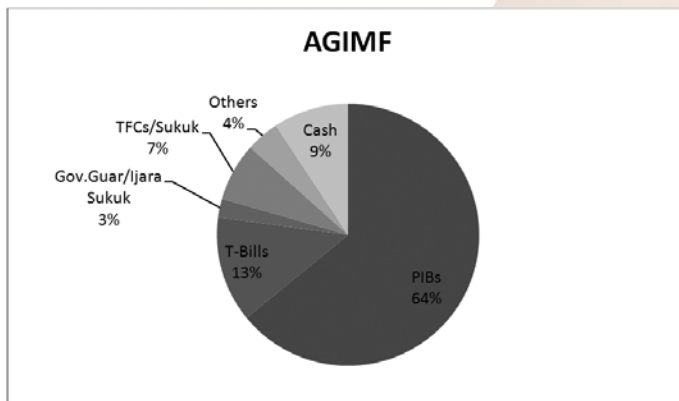
During the year under review the Fund posted an appreciation of 14.18% in NAV. During the same period the benchmark return (12M Kibor) was 9.27%. The performance resulted primarily on the back of reduction in the discount rate which caused a price rally in government bonds. The fund followed a strategy of maintaining low cash levels and focus remained on short to mid-term government treasuries. The strategy of remaining heavily invested in government bonds paid off as the fund remained a top performer in its category. The bottom line was further supported by capturing placements with banks and DFI's at better rates.

The fund's credit rating has been upgraded to "A+" by PACRA. The fund size on June 30th 2015 stood at PKR 1.706 bn compared to PKR 1.566 bn on June 30th 2014.

AGIMF Return vs Benchmark



Asset Allocation/Portfolio Quality



Credit Quality (as % of Total Assets)

Govt. Guar.	79.5%	A	0.0%
AAA	0.0%	A-	1.2%
AA+	0.0%	BBB+	0.0%
AA	11.7%	BBB	0.0%
AA-	0.3%	Below IG	0.0%
A+	4.4%	NR/UR	2.9%

Future Outlook

Going forward, the Fund plans to maintain its position in treasury securities while keeping a moderate duration by investing in medium term Government bonds. The fund will maintain low cash reserves, opting for short term T-Bills and high yielding placements to bolster the bottom line.

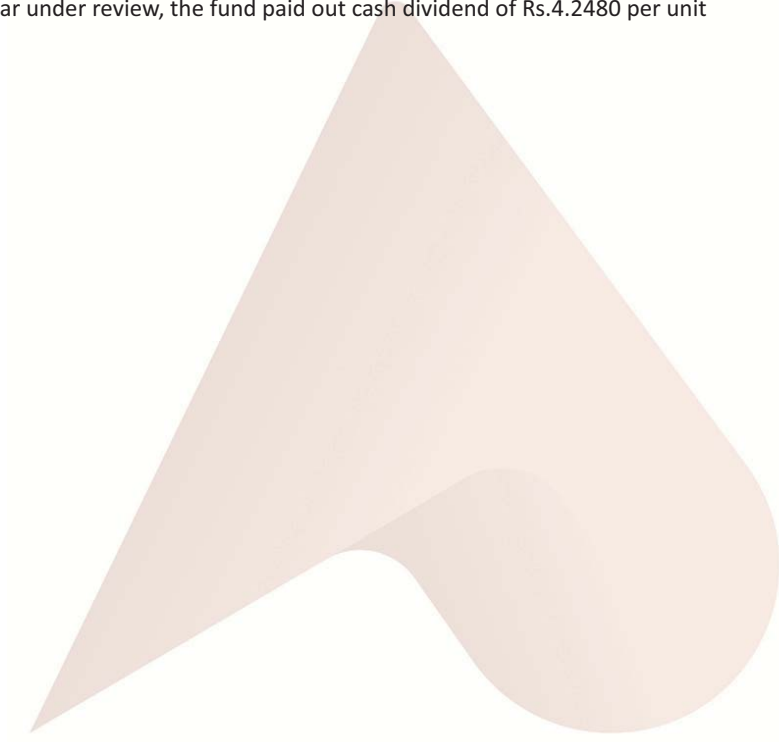
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2015	For the year ended June 30 ,2014
Net Assets	1,706.002	1,565.954
Gross income	366.637	105.774
Total Comprehensive Income	214.558	152.369
Net Assets Value per Unit (Rs.)	50.63	48.07
Issuance of units during the period	1,626.853	1,475.864
Redemption of units during the period	1,660.344	311.549

Payout

At the end of the year under review, the fund paid out cash dividend of Rs.4.2480 per unit



Fund Manager

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

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

**TRUSTEE REPORT TO THE UNIT HOLDERS****ALFALAH GHP INCOME MULTIPLIER FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2015 in accordance with the provisions of the following:

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


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

Karachi: October 12, 2015



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2015

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

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

1. The Management Company encourages representation of independent, executive and non-executive directors. At June 30, 2015 the Board includes:

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

The Independent Director meets the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year, one casual vacancy occurred on the Board which was filled within a period of 90 days.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), Company Secretary, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Three directors have obtained certification under the 'Directors' training program' conducted by Institute of Corporate Governance. During the year two directors enrolled for Directors' training program and the certification was completed subsequent to the year end.

10. During the year, a new Company Secretary of the Management Company was appointed by the Board. The remuneration and terms and conditions of employment of the Company Secretary and any change thereto have been approved by the Board. No new appointment of the CFO and Head of Internal Audit was made during the year.
11. The Directors' Report of the Fund for the year ended June 30, 2015 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO, COO and Head of Finance of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company and Funds under its Management have complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The board has outsourced the internal audit function to M. YousufAdilSaleem& Co., Chartered Accountants (a member firm of Deloitte Touché Tohmatsu International), who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the net assets value of the Fund, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchanges.
23. We confirm that all other material principles contained in the Code have been complied with, except the requirement to put in place a mechanism for undertaking annual evaluation of the performance of the Board.

For and on behalf of the Board

Karachi, _____

Maheen Rahman
Chief Executive Officer



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

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

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

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Alfalah GHP Investment Management Limited (the Management Company) of **Alfalah GHP Income Multiplier Fund** (the Fund) for the year ended **30 June 2015** to comply with the requirements of Regulation No. 5.19.23 of Rule Book of Karachi Stock Exchange Limited where the Fund is listed.

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

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

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2015.

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

Paragraph Reference	Description
9	Two directors enrolled in a directors' training program during the year and the certification was completed subsequent to the year end.
23	The Board has yet to finalise and implement a mechanism for annual evaluation of the Board's performance.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Karachi

Date: 24 August 2015

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Alfalah GHP Income Multiplier Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2015 and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2015 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Chartered Accountants

Audit Engagement Partner: Shabbir Yunus

August 24, 2015
Karachi

**STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2015**

	Note	June 30, 2015	June 30, 2014
		----- (Rupees) -----	
Assets			
Bank balances	4	180,146,284	166,046,127
Investments	5	2,003,303,635	1,401,940,553
Security deposits	6	2,600,000	2,600,000
Mark-up and other receivables	7	94,054,969	23,346,208
Total assets		2,280,104,888	1,593,932,888
Liabilities			
Payable to the Management Company	8	11,546,423	3,711,464
Payable to the Trustee	9	190,671	113,529
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	1,766,264	544,923
Provision for Workers' Welfare Fund (WWF)	11	11,471,327	6,857,114
Accrued and other liabilities	12	28,600,146	945,882
Payable on redemption to unit holders		520,527,894	15,806,280
Total liabilities		574,102,725	27,979,192
Net assets attributable to unit holders		<u>1,706,002,163</u>	<u>1,565,953,696</u>
Unit holders' funds (as per statement attached)		<u>1,706,002,163</u>	<u>1,565,953,696</u>
Contingencies and commitments	13	---- (Number of units) ----	
Number of units in issue		<u>33,696,096</u>	<u>32,573,743</u>
		----- (Rupees) -----	
Net asset value per unit		<u>50.6291</u>	<u>48.0741</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Director

**INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015**

	<i>Note</i>	June 30, 2015	June 30, 2014
		----- (Rupees) -----	
Income			
Finance income	14	236,374,014	85,686,299
'At fair value through profit or loss' - held-for-trading			
- Net gain on sale of investments		24,196,028	(39,379)
- Net unrealised appreciation in the value of investments	5.6	85,133,557	869,346
		109,329,585	829,967
Available-for-sale investments			
- Net loss on sale of investments		-	(180,000)
- Reversal of impairment in value of investments	5.13	20,933,613	19,437,774
		20,933,613	19,257,774
Total income		366,637,212	105,774,040
Expenses			
Remuneration of the Management Company		29,437,648	9,082,144
Sales tax on management fee		5,122,151	1,444,501
Federal excise duty on management fee	15	4,710,024	1,694,294
Remuneration of the Trustee		2,850,545	1,179,053
Annual fee to SECP		1,766,264	544,923
Brokerage expense		464,747	68,416
Bank and settlement charges		53,629	47,647
Fees and subscriptions		605,926	397,657
Auditor's remuneration	16	662,642	528,528
Provision for Workers' Welfare Fund	11	4,664,519	2,931,297
Printing charges		150,000	140,698
		50,488,095	18,059,158
Net income from operating activities		316,149,117	87,714,882
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net		(87,587,734)	55,795,377
Net income for the year		228,561,383	143,510,259
Taxation	17	-	-
Net income for the year after taxation		228,561,383	143,510,259

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015**

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Net income for the year after taxation	228,561,383	143,510,259
Other comprehensive income:		
Unrealised appreciation in the value of investments classified as 'available-for-sale'	6,930,057	28,296,239
Surplus for the year		
Recycled through income statement		
- on appreciation / sale	(21,896,828)	(22,936,374)
- on impairment	963,215	3,498,600
	(20,933,613)	(19,437,774)
Other comprehensive income for the year	(14,003,556)	8,858,465
Total comprehensive income for the year	<u>214,557,827</u>	<u>152,368,724</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2015

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Undistributed (loss) brought forward		
- Realised losses	(13,724,247)	(18,880,294)
- Unrealised gains	869,346	149,134
	(12,854,901)	(18,731,160)
 Net income for the year after taxation	228,561,383	143,510,259
 Interim distribution for the period ended June 30, 2015:		
- Cash distribution: Rs.4.2480 per unit approved on June 26, 2015 (2014: Rs.1.0003 per unit: January 04, 2014)	(128,606,763)	(5,564,583)
- Issue of Nil bonus units (2014: 155,149 units January 04, 2014)	-	(7,556,703)
- Cash distribution: Rs.Nil approved (2014: 4.0442 per unit: June 30, 2014)	-	(23,114,948)
- Issue of Nil bonus units (2014: 2,111,006 bonus units: June 30, 2014)	-	(101,397,766)
	99,954,620	5,876,259
 Undistributed loss carried forward		
- Realised gain / (losses)	1,966,162	(13,724,247)
- Unrealised gains	85,133,557	869,346
	87,099,719	(12,854,901)

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Net assets at the beginning of the period	1,565,953,696	333,746,576
Issue 73,774,006 units (2014: 29,432,341 units)	1,626,853,363	1,475,864,270
Redemption of 72,651,653 units (2014: 6,174,126 units)	(1,660,343,694)	(311,548,694)
	(33,490,331)	1,164,315,576
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased - net:		
- amount representing accrued loss / (income) and realised capital losses / (gains) - transferred to the Income Statement	87,587,734	(55,731,636)
- amount representing unrealised loss / (gains) - transferred directly to the Distribution Statement	-	(63,738)
	87,587,734	(55,795,374)
Bonus distribution of Nil (2014: 2,266,155) bonus units declared for the year ended June 30, 2015	-	108,952,474
Net unrealised diminution on revaluation of investments classified as 'available-for-sale'	(14,003,556)	8,858,185
Capital loss on sale of investments	-	(180,000)
Net unrealised appreciation in the value of investments		
- 'at fair value through profit or loss'	85,133,557	869,346
Other net income for the year	143,427,826	142,820,913
Interim distribution for the period ended June 30, 2015:		
- Cash distribution: Rs.4.2480 per unit approved on June 26, 2015 (2014: Rs.1.0003 per unit: January 04, 2014)	(128,606,763)	(5,564,583)
- Issue of Nil bonus units (2014: 155,149 units: January 04, 2014)	-	(7,556,703)
- Cash distribution: Rs.Nil approved (2014: 4.0442 per unit: June 30, 2014)	-	(23,114,948)
- Issue of Nil bonus units (2014: 2,111,006 bonus units: June 30, 2014)	-	(101,397,766)
Net income for the year less distribution	99,954,620	5,876,259
Net assets at the end of the year	1,706,002,163	1,565,953,696
	----- (Rupees) -----	
Net asset value per unit at the beginning of the year	48.0741	47.3441
Net asset value per unit at the end of the year	50.6291	48.0741

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Director

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	<i>Note</i>	June 30, 2015	June 30, 2014
		----- (Rupees) -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year after taxation		228,561,383	143,510,259
Adjustments for:			
Net (gain) / loss on sale of investments classified as 'at fair value through profit or loss - held-for-trading		(24,196,028)	39,379
Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading		(85,133,557)	(869,346)
Reversal of impairment in the value of investments classified as 'available-for-sale'		(20,933,613)	(19,437,774)
Income from term finance certificates / sukuk certificates		(22,279,737)	(24,599,193)
Profit on deposit accounts with banks		(15,351,724)	(2,576,116)
Income from government securities - net of amortization of discount		(116,200,618)	-
Income from term deposit receipts		(27,028,034)	(2,031,573)
Provision for Workers' Welfare Fund		4,614,213	2,931,297
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units repurchased		87,587,734	(55,795,377)
		9,640,019	41,171,556
Increase in assets			
Investments		(485,103,440)	(570,069,764)
Mark-up and other receivables		-	(1,450,377)
		(485,103,440)	(571,520,141)
Increase / (decrease) in liabilities			
Payable to the Management Company		7,834,959	3,252,732
Payable to the Trustee		77,142	64,476
Annual fee payable to SECP		1,221,341	331,932
Accrued and other liabilities		27,654,264	298,465
Payable on redemption to unit holders		504,721,614	15,806,280
Distribution payable		-	(21,157,569)
		541,509,320	(1,403,684)
Profit received on investments		110,151,352	24,866,528
Net cash generated from / (used in) operating activities		176,197,251	(506,885,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units		1,626,853,363	1,475,864,270
Payment against redemption of units		(1,660,343,694)	(311,548,694)
Cash dividend paid		(128,606,763)	(28,679,531)
Net cash (used in) / generated from financing activities		(162,097,094)	1,135,636,045
Net increase in cash and cash equivalents during the year		14,100,157	628,750,304
Cash and cash equivalents at beginning of the year		166,046,127	28,636,343
Cash and cash equivalents at end of the year	18	180,146,284	657,386,647

The annexed notes from 1 to 24 form an integral part of these financial statements.

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

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Multiplier Fund is an open-end collective investment scheme (the Fund) established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on March 08, 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 14, 2007.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

Alfalah GHP Income Multiplier Fund is listed on the Karachi Stock Exchange. The Units of the Fund are offered to public on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund offers two types of Units Growth and Income. Growth Unit Holders are entitled to bonus unit and Income Unit Holders are entitled to cash dividend at the time of distribution by Fund.

The Fund is categorized as an aggressive fixed income scheme and can invest in debt and money market securities as authorized in Funds Offering Document.

The Fund has three classes of units. Class A (restricted / core) units were issued to core investors with no sales load. These units cannot be redeemed for a period of two years from the date of initial public offer and shall be charged no sales load. Class B units were offered and issued during the private placement and initial period of offer and shall be charged no sales load. Class C units were offered and issued after the initial period of offer and shall be issued with or without sales load.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2-' (Outlook: Stable) to the Management Company in its rating report dated April 15, 2015 and A+(f) Stability Rating to the Fund in its rating report dated May 26, 2015.

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

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments held at 'fair value through profit or loss' category are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 3.2 and 3.3 respectively.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years except as described in note 3.1 below.

3.1 New and amended standards and interpretations

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

IAS 19 – Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – (Amendment)
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 2 Share-based Payment – Definitions of vesting conditions

IFRS 3 Business Combinations – Accounting for contingent consideration in a business combination
– Scope exceptions for joint ventures

Improvements to Accounting Standards Issued by the IASB

IFRS 8 Operating Segments – Aggregation of operating segments
– Reconciliation of the total of the reportable segments' assets to the entity's assets

IFRS 8 Operating Segments – Reconciliation of the total of the reportable segments' assets to the entity's assets

IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)

IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation

IAS 24 Related Party Disclosures - Key management personnel

IAS 40 Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

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

3.2 Financial instruments

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

a) Financial asset at fair value through profit or loss

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

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

b) Available-for-sale

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

c) Loans and receivables

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

d) Financial liabilities

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

Recognition

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

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

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

Measurement

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

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

Fair value measurement principles***Basis of valuation of Term Finance Certificates / Sukuk Certificates***

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

Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the Securities and Exchange Commission of Pakistan and the Fund's provisioning criteria. These are elaborated in note 3.3 to these financial statements.

Basis of valuation of Government Securities

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

3.3 Impairment

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

Impairment of debt securities held by the Fund is determined on the basis of repayment passed due from its contractual maturity. Such provisions are made as per criteria specified in Circular 33 of 2012 issued by Securities and Exchange Commission of Pakistan. Accelerated provisions are made if circumstances warrant, as per the provisioning policy approved by the Board of the Management Company.

However, the impairment loss on debt securities classified as available-for-sale is recognised in Income Statement. The reversal of impairment of debt security reclassified as performing by MUFAP in term of circular 33 of 2012 is made to the extent of increased price difference between amount recorded in books prior to reclassification as performing and price announced by MUFAP on reclassification.

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

3.4 Derecognition

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

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

3.5 Unit holders' fund

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

3.6 Issue and redemption of units

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

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

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

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

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

The net "element of income / loss and capital gains / losses in prices of units issued less those in units redeemed" during an accounting period is reported to the income statement. The Element is arrived at by comparing the unit prices with opening Ex-NAV at the beginning of the year.

3.8 Provisions

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

3.9 Preliminary expenses and floatation costs

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

3.10 Net asset value per unit

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

3.11 Earning per unit

Earnings per unit (EPU) for the year ended June 30, 2015 has not been disclosed in these financial statements as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

3.12 Taxation

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

3.13 Offsetting of financial instruments

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

3.14 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit and loss' are included in the Income Statement in the period in which they arise.
- Income on TFCs, sukuk certificates, term deposit receipts, government securities, bank deposits and placements is recognised on a time proportionate basis using effective yield method.
- Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased is included in the Income Statement on the date of issue and redemption of units.

3.15 Expenses

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

3.16 Cash and cash equivalents

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

3.17 Dividend distribution and appropriations

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

3.18 Standards, interpretations and amendments to approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
IAS 16 & 38 – Clarification of Acceptable Method of Depreciation and Amortization	January 01, 2016
IAS 16 & 41 – Agriculture: Bearer Plants	January 01, 2016
IAS 19 - Employee Contributions	July 01, 2014
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
IAS 36 – Recoverable Amount for Non-Financial Assets – (Amendment)	January 01, 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting – (Amendment) (see note 3 below)	January 01, 2014
IFRIC 21 – Levies	January 01, 2014

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

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

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

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

	Note	June 30, 2015	June 30, 2014
(Rupees)			
4. BANK BALANCES			
Deposit accounts	4.1	<u>180,146,284</u>	<u>166,046,127</u>
		<u>180,146,284</u>	<u>166,046,127</u>

4.1 These balances in saving deposit accounts bear profit rates ranging from 6% to 7% per annum (June 30, 2014: 7% to 9.25% per annum).

5. INVESTMENTS

'At fair value through profit or loss' - held-for-trading

Market treasury bills	5.1	297,564,337	1,063,142,688
Pakistan investment bonds	5.2	1,463,206,568	-
Government of Pakistan ijara sukuks	5.3	52,405,500	-
Term finance certificates	5.4	25,830,091	35,862,603
Sukuk certificates	5.5	137,255,410	50,624,000
		<u>1,976,261,906</u>	<u>1,149,629,291</u>

Available-for-sale

Term finance certificates	5.7	-	973,680
Sukuk certificates	5.8	27,041,729	44,936,170
		<u>27,041,729</u>	<u>45,909,850</u>

Held to maturity

Certificates of investment	5.9	-	100,398,880
Letters of placement	5.10	-	-
Term deposit receipt	5.11	-	106,002,532
		-	206,401,412

2,003,303,635 1,401,940,553

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

Note	Face Value				Carrying amount as at 30 June 2015	Fair Value as at June 30, 2015	Unrealised (loss) / gain on revaluation	Fair value as a percentage of	
	As at July 01, 2014	Purchased during the year	Sold / matured during the year	As at 30 June 2015				net assets	total investment
	----- (Number of certificates)-----				----- (Rupees)-----				
Treasury bills having face value of Rs.100 each									
Maturity upto 3 months	355,000,000	1,870,000,000	2,225,000,000	-	-	-	-	0%	0%
Maturity upto 6 months	582,000,000	1,330,500,000	1,612,500,000	300,000,000	297,568,038	297,564,337	(3,701)	17%	15%
Maturity upto 12 months	160,000,000	640,000,000	800,000,000	-	-	-	-	0%	0%
	<u>1,097,000,000</u>	<u>3,840,500,000</u>	<u>4,637,500,000</u>	<u>300,000,000</u>	<u>297,568,038</u>	<u>297,564,337</u>	<u>(3,701)</u>		

5.1.1 These represent treasury bills having face value of Rs.300 million (June 30, 2014: Rs.355 million) and carrying purchase yield ranging from 6.85% to 7.07% (June 30, 2014: 9.93% to 9.96%) per annum. These treasury bills have maturity upto September 03, 2015 (June 30, 2014: September 04, 2014).

5.2 Pakistan investment bonds - 'at fair value through profit or loss'- held-for-trading

Note	Face Value				Carrying amount as at 30 June 2015	Fair Value as at June 30, 2015	Unrealised (loss) / gain on revaluation	Fair value as a percentage of		
	As at July 01, 2014	Purchased during the year	Sold / matured during the year	As at 30 June 2015				net assets	total investment	
	----- (Number of certificates)-----				----- (Rupees)-----					
Pakistan investment bonds having face value of Rs.100 each										
Maturity upto 3 years	5.2.1	-	900,000,000	325,000,000	575,000,000	577,219,536	605,859,693	28,640,157	36%	30%
Maturity upto 5 years	5.2.2	-	575,000,000	175,000,000	400,000,000	395,568,248	438,056,000	42,487,752	26%	22%
Maturity upto 10 years	5.2.3	-	795,000,000	420,000,000	375,000,000	405,966,872	419,290,875	13,324,003	25%	21%
		-	<u>2,270,000,000</u>	<u>920,000,000</u>	<u>1,350,000,000</u>	<u>1,378,754,656</u>	<u>1,463,206,568</u>	<u>84,451,912</u>		

5.2.1 These represent Pakistan investment bonds having face value of Rs.575 million (June 30, 2014: Rs.Nil) and carrying purchase yield of 7.30% to 12.52% (June 30, 2014: Nil) per annum. These Pakistan investment bonds have maturity upto July 17, 2017 (June 30, 2014: Nil).

5.2.2 These represent Pakistan investment bonds having face value of Rs.400 million (June 30, 2014: Rs.Nil) and carrying purchase yield of 9.38% to 12.97% (June 30, 2014: Nil) per annum. These Pakistan investment bonds have maturity upto July 17, 2019 (June 30, 2014: Nil).

5.2.3 These represent Pakistan investment bonds having face value of Rs.375 million (June 30, 2014: Nil) and carrying purchase yield of 10.20% to 10.52% (June 30, 2014: Nil) per annum. These Pakistan investment bonds have maturity upto July 17, 2024 (June 30, 2014: Nil).

5.3 Government of Pakistan ijara sukuk - 'at fair value through profit or loss'- held-for-trading

Issue	Maturity	Face Value				Carrying amount as at 30 June 2015	Fair Value as at June 30, 2015	Unrealised (loss) / gain on revaluation	Fair value as a percentage of		
		As at July 01, 2014	Purchased during the year	Sold / matured during the year	As at 30 June 2015				net assets	total investment	
		----- (Number of certificates)-----				----- (Rupees)-----					
GOP Ijara sukuk having face value of Rs.100 each											
GOP Ijara Sukuk - IX	28-Jun-12	21-Nov-15	-	70,000	-	70,000	7,065,800	7,045,500	(20,300)	0.41%	0.35%
GOP Ijara Sukuk - XII	26-Dec-11	21-Nov-15	-	450,000	-	450,000	45,369,000	45,360,000	(9,000)	2.66%	2.26%
			-	<u>520,000</u>	-	<u>520,000</u>	<u>52,434,800</u>	<u>52,405,500</u>	<u>(29,300)</u>		

5.4 Term Finance Certificates - 'at fair value through profit or loss'- held-for-trading

Name of the investee company	Rating	Maturity	Profit / Mark-up Percentage	As at July 01, 2014	Redeemed during the year	Sold during the year	Redemption during the year	As at 30 June 2015	Cost as at 30 June 2015	Market value as at 30 June 2015	Impairment in the value of Investment	Appreciation / (Diminution) in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
													Net asset	Total investments	
				----- (Number of Certificates) -----				----- (Rupees) -----				----- (%) -----			
Listed term finance certificates															
Bank Alfalah Limited - V (a related party)	AA-	March 2021	6M KIBOR +1.25%	1,225	-	-	-	1,225	6,120,100	6,129,274	-	9,174	0.36	0.31	0.12
NIB Bank Limited	AA-	June 2022	6M KIBOR +1.15%	-	4,000	-	-	4,000	19,822,000	19,700,817	-	(121,183)	1.15	0.98	0.50
									<u>25,942,100</u>	<u>25,830,091</u>	<u>-</u>	<u>(112,009)</u>			

5.5 Sukuk Certificates - 'at fair value through profit or loss'- held-for-trading

Name of the investee company	Rating	Maturity	Profit / Mark-up Percentage	As at July 01, 2014	Redeemed during the year	Sold during the year	Redemption during the year	As at 30 June 2015	Cost as at 30 June 2015	Market value as at 30 June 2015	Impairment in the value of Investment	Appreciation / (Diminution) in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
													Net asset	Total investments	
				----- (Number of Certificates) -----				----- (Rupees) -----				----- (%) -----			
K-Electric Sukuk - II	A+	March 2017	3M KIBOR +2.25%	5,000	6,000	-	-	11,000	56,463,500	56,427,910	-	(35,590)	3.31	2.82	1.33
Engro Fertilizer Limited	A+	July 2019	6M KIBOR +1.75%	-	16,000	-	-	16,000	79,017,900	80,827,500	-	1,809,600	4.74	4.03	1.56
Wapda Sukuk - III	AAA	October 2021	6M KIBOR +1%	4,700	-	4,700	-	-	-	-	-	-	-	-	-
									<u>135,481,400</u>	<u>137,255,410</u>	<u>-</u>	<u>1,774,010</u>			

30 June 2015 30 June 2014
----- (Rupees) -----

5.6 Net unrealized appreciation in the value of investments classified as at fair value through profit or loss'- held-for-trading

Market value of investments	1,976,261,906	1,149,629,291
Less: Carrying value of investments	<u>(1,890,180,994)</u>	<u>(1,148,681,936)</u>
	86,080,912	947,355
	<u>(947,355)</u>	<u>(78,009)</u>
Net unrealized appreciation diminution in the value of investment at the beginning of the year	85,133,557	869,346
Net unrealized appreciation in the value of investment for the year		

5.7 Term finance certificates - 'available-for-sale'

Name of the investee company	Notes	Maturity	Profit / Mark-up Percentage	As at July 01, 2014	Purchase during the year	Sold during the year	Redemption during the year	As at 30 June 2015	Cost as at 30 June 2015	Market value as at 30 June 2015	Impairment in the value of Investment	Appreciation / (Diminution) in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
													Net asset	Total investments	
				----- (Number of Certificates) -----				----- (Rupees) -----				----- (%) -----			
Listed term finance certificates															
Trust Investment Bank Limited (TIBL)	5.7.1	July 2013	6M KIBOR + 1.85%	8,000	-	-	-	8,000	14,994,000	-	(14,994,000)	-	-	-	6.67
Unlisted term finance certificates															
Security Leasing Corporation Limited (SLCL)	5.7.2	January 2022	6%	2,000	-	-	-	2,000	1,557,300	-	(1,557,300)	-	-	-	1.8
Agritech Ltd (Formerly Pak American Fertilizer Limited)	5.7.3	November 2017	6M KIBOR + 1.75%	17,950	-	-	-	17,950	89,666,353	-	(89,666,353)	-	-	-	5.98
Agritech Ltd-IV (Formerly Pak American Fertilizer Limited)	5.7.4	January 2015	Zero Coupon	4,094	-	-	-	4,094	20,470,000	-	(20,470,000)	-	-	-	2.27
									<u>126,687,653</u>	<u>-</u>	<u>(126,687,653)</u>	<u>-</u>			

- 5.7.1** These term finance certificates defaulted on their payment of principal and mark-up 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.
- 5.7.2** These term finance certificates had been reshuffled in the past, however, during the current period, the security was again classified as 'non-performing' by MUFAP on August 15, 2014 and, accordingly, was provided for in full in accordance with the requirements of SECP circulars and the Board's approved provisioning policy.
- 5.7.3** 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 14 June 2010 and accrual on the same was suspended. Accordingly, the security has been fully provided (Rs.Nil in current year) in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.
- 5.7.4** 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 1st and 2nd Issue respectively amounting to Rs.20.47 million was settled in the form of certificates valuing Rs.20.47 million. These investments had been recorded as 100% impaired (Rs.Nil in current year) since these have been received in lieu of suspended overdue mark-up to be recognised to income upon realisation.

5.8 Sukuk certificates - 'available-for-sale'

Name of the investee company	Notes	Maturity	Profit / Mark-up Percentage	As at July 01, 2014	Purchase during the year	Sold during the year	Redeemed during the year	As at 30 June 2015	Cost as at 30 June 2015	Market value as at 30 June 2015	Impairment in the value of Investment	Appreciation / (Diminution) in the value of investments	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital
													Net asset	Total investments	
				----- (Number of Certificates) -----				----- (Rupees) -----				----- (%) -----			
Maple Leaf Cement Factory Limited	5.8.1	December 2018	3M KIBOR +1%	15,000	-	-	-	15,000	32,184,374	27,041,729	-	(5,142,645)	1.59	1.35	1.88
Kohat Cement Company Limited		September 2016	3M KIBOR +1.50%	23,000	-	-	-	23,000	-	-	-	-	-	-	-
									<u>32,184,374</u>	<u>27,041,729</u>	<u>-</u>	<u>(5,142,645)</u>			
Total Investment in 'available-for-sale'									<u>158,872,027</u>	<u>27,041,729</u>	<u>(126,687,653)</u>	<u>(5,142,645)</u>			

- 5.8.1** This represents investment in sukuk certificates of Maple Leaf Cement Factory Limited (MLCF), secured against first pari passu charge over all present and future fixed assets with a 25% margin. Maple Leaf Cement Factory (MLCF) defaulted on the installment due on September 13, 2011 as per the restructured agreement. Consequently, the security was classified as non-performing by MUFAP on September 19, 2011 and accrual amounting to Rs.9.235 million on the same was reversed. However, from the previous year, Maple Leaf Cement Factory has been regular in its payments as per the restructured agreement and has made payments of the overdue mark-up pertaining to the default period as well as current period. Therefore, MUFAP re-classified the security as performing resulting in reversal of provision of Rs.21.896 million.

5.9 Certificates of investment - held to maturity

Name of the investee company	Rate of return per annum	Face Value				Carrying value as at June 30, 2015	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
		As at July 01, 2014	Purchase during the year	Matured during the year	As at 30 June 2015					
----- (Rupees) -----										
Pak Brunei Investment Company Limited	10.25% to 10.40%	70,000,000	100,000,000	170,000,000	-	-	November 19, 2014	AA+ / A1+	-	-
		<u>70,000,000</u>	<u>100,000,000</u>	<u>170,000,000</u>	<u>-</u>	<u>-</u>			<u>-</u>	<u>-</u>

5.10 Letters of placement - held to maturity

Name of the investee company	Rate of return per annum	Face Value				Carrying value as at June 30, 2015	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
		As at July 01, 2014	Purchase during the year	Matured during the year	As at 30 June 2015					
----- (Rupees) -----										
Pak Brunei Investment Company Limited	8.95% to 10.35%	-	465,000,000	465,000,000	-	-	February 23, 2015	AA+ / A1+	-	-
Pak Oman Investment Company Limited	7.95% to 10.05%	-	785,000,000	785,000,000	-	-	May 07, 2015	AA+ / A1+	-	-
		-	1,250,000,000	1,250,000,000	-	-			-	-

5.11 Term Deposit Receipt - held to maturity

Name of the investee company	Rate of return per annum	Face Value				Carrying value as at June 30, 2015	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
		As at July 01, 2014	Purchase during the year	Matured during the year	As at 30 June 2015					
----- (Rupees) -----										
Bank Alfalah Limited	10.25%	105,000,000	-	105,000,000	-	-	July 01, 2014	AA / A1+	-	-
JS Bank Limited	11.00%	-	200,000,000	200,000,000	-	-	September 04, 2015	AA+ / A1+	-	-
Allied Bank Limited	8.55%	-	130,000,000	130,000,000	-	-	March 18, 2015	AA+ / A1+	-	-
		105,000,000	200,000,000	305,000,000	-	-			-	-

5.12 Net unrealized (diminution) / appreciation in the value of investments classified as 'available-for-sale'

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Market value of investments	27,041,729	45,909,850
Less: Carrying value of investments	(158,872,027)	(184,670,205)
	(131,830,298)	(138,760,355)
Impairment charged during the year	963,215	3,498,600
Reversal of impairment during the year	5.8.1 (21,896,828)	(22,936,374)
	(152,763,911)	(158,198,129)
Net unrealised diminution in the value of investments at the beginning of the year	138,760,355	167,056,594
Net unrealised (diminution) / appreciation in the value of investments at the end of the year	(14,003,556)	8,858,465

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

	June 30, 2015	June 30, 2014
Opening balance	147,618,820	167,056,594
Charged for the year	963,215	3,498,600
Reversal due to appreciation in the value of investments	5.8.1 (21,896,828)	(22,936,374)
Reversal of Impairment in the value of investments classified as 'available-for-sale' - net	(20,933,613)	(19,437,774)
Closing balance	126,685,207	147,618,820

	Note	June 30, 2015 ----- (Rupees) -----	June 30, 2014
6. SECURITY DEPOSITS			
Security deposits with:			
- Central Depository Company of Pakistan Limited		100,000	100,000
- National Clearing Company of Pakistan Limited (NCCPL)		<u>2,500,000</u>	<u>2,500,000</u>
		<u>2,600,000</u>	<u>2,600,000</u>
7. MARK-UP AND OTHER RECEIVABLES			
Accrued mark-up on:			
- Term finance certificates		266,379	689,878
- Sukuk certificates	7.1	19,361,171	20,899,298
- Deposit accounts with banks		765,653	306,655
- Pakistan investment bonds		70,017,205	-
Accrued profit on Government of Pakistan Ijarah sukuks		2,194,228	-
Security margin with NCCPL		<u>1,450,333</u>	<u>1,450,377</u>
		<u>94,054,969</u>	<u>23,346,208</u>
7.1	This includes accrued mark-up on performing sukuk certificates of Kohat Cement Company Limited amounting to Rs.12.486 million, which is carried at an effective interest rate of 10.55% per annum and will be recovered in quarterly installments upto September 20, 2016.		
8. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	8.1	2,510,695	1,357,730
Sales tax on management fee		1,310,164	201,364
Federal excise duty on management fee	15	6,211,721	1,741,966
Sales load payable		<u>1,513,843</u>	<u>410,404</u>
		<u>11,546,423</u>	<u>3,711,464</u>
8.1	Under the provisions of NBFC Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. On June 15, 2012, the Fund completed five years in operation, however, the Management Company has charged its remuneration at the rate of 1.25% (June 30, 2014: 1.25%) per annum of the average daily net assets of the Fund for the current year.		
9. PAYABLE TO THE TRUSTEE			
Trustee fee	9.1	<u>190,671</u>	<u>113,529</u>
9.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net asset value of the Fund. The remuneration is payable to the trustee according to the following tariff structure:		

Average net asset value	Tariff per annum
Up to Rs.1 billion	0.17% p.a. of net assets
Rs.1 billion to Rs.5 billion	Rs.1.7 million plus 0.085% p.a. of net assets exceeding Rs.1 billion
Over 5 billion	Rs.5.1 million plus 0.07% p.a. of net assets exceeding Rs.5 billion

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

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% (June 30, 2014: 0.075%) of the average daily net assets of the Fund.

11. PROVISION FOR WORKERS' WELFARE FUND (WWF)

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

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

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

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

In view of the uncertainty on the applicability of WWF to mutual funds, the Management Company as a matter of prudence, has decided to retain the provision for WWF amounting to Rs.11.471 million (June 30, 2014: Rs.6.857 million) up to June 30, 2015. Had the provision not been made, the NAV per unit would have been higher by Re.0.34 (0.67%) per unit (June 30, 2014: Re.0.21 (0.44%) per unit).

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

	June 30, 2015	June 30, 2014
<i>Note</i>	----- (Rupees) -----	
12. ACCRUED AND OTHER LIABILITIES		
Auditors' remuneration	518,630	438,724
Withholding tax payable	22,016,378	176,720
NCSS charges payable	109,727	63,742
Other payable	5,955,411	266,696
	<u>28,600,146</u>	<u>945,882</u>

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2015.

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
14. FINANCE INCOME		
Mark-up / profit on:		
Investments classified as 'at fair value through profit or loss' - held-for-trading		
- Sukuk and term finance certificates	14,392,891	20,746,036
- Treasury bills	55,513,901	53,714,625
- Pakistan investment bonds	116,200,618	-
	<u>186,107,410</u>	74,460,661
Investments classified as 'available-for-sale'		
- Sukuk and term finance certificates	7,886,846	3,853,157
Held to maturity		
- Letters of placement	16,263,340	2,365,888
- Certificates of investment	-	398,904
- Term deposit receipts	10,764,694	2,031,573
	<u>27,028,034</u>	4,796,365
Others		
- Bank deposits	15,351,724	2,576,116
	<u>236,374,014</u>	<u>85,686,299</u>

15. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf

of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
16. AUDITORS' REMUNERATION		
Audit fee	332,750	302,500
Review, other certifications and services	226,270	205,700
	559,020	508,200
Sales tax	27,951	20,328
Out of pocket expenses	75,671	-
	662,642	528,528

17. TAXATION

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

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
18. CASH AND CASH EQUIVALENTS		
Bank balances	180,146,284	166,046,127
Treasury bills maturing within 3 months	-	390,941,640
Certificates of investment maturing within 3 months	-	100,398,880
	180,146,284	657,386,647

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non-Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively.

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

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Alfalsh GHP Investment Management Limited - Management Company		
Balance at beginning of the year	3,711,464	458,732
Remuneration of the Management Company	<u>29,437,648</u>	9,082,144
Sales tax on management fee for the year	<u>5,124,635</u>	1,444,501
Federal excise duty on management fee	<u>4,710,026</u>	1,694,294
Sales load payable	<u>1,513,843</u>	410,404
	<u>40,786,152</u>	12,631,343
Amount paid during the year	<u>(32,951,193)</u>	(9,378,611)
Balance at the end of the year	<u>11,546,423</u>	<u>3,711,464</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the year	113,529	49,053
Remuneration for the year	<u>2,850,545</u>	1,179,053
CDS charges for the year	<u>9,161</u>	6,229
	<u>2,859,706</u>	1,185,282
Amount paid during the year	<u>(2,782,564)</u>	(1,120,806)
Balance at the end of the year	<u>190,671</u>	<u>113,529</u>
Security deposit at the end of the year	<u>100,000</u>	<u>100,000</u>
Bank Alfalah Limited		
Deposit at the end of the year	<u>180,125,815</u>	166,028,600
Bank charges	<u>44,468</u>	72,307
Profit on deposit accounts at the end of the year	<u>15,351,724</u>	2,576,116
Accrued mark-up at the end of year	<u>765,653</u>	306,304
Treasury bills - purchased	<u>637,432,270</u>	-
Treasury bills - sold	<u>79,728,080</u>	-
Pakistan investment bonds - purchased	<u>553,315,450</u>	-
Alfalsh GHP Income Fund (Formerly IGI Income Fund) (common management)		
Treasury bills - purchased	<u>121,362,275</u>	21,064,164
Pakistan investment bonds - purchased	<u>77,978,250</u>	-
Term finance certificates	<u>19,830,000</u>	-
Alfalsh GHP Money Market Fund (Formerly IGI Money Market Fund) (common management)		
Treasury bills - purchased	<u>491,274,955</u>	14,975,745
Treasury bills - sold	<u>214,893,140</u>	-
Alfalsh GHP Cash Fund (common management)		
Treasury bills - purchased	<u>307,434,560</u>	184,217,354
Treasury bills - sold	<u>221,267,000</u>	49,835,620

	June 30, 2015 ----- (Rupees) -----	June 30, 2014 -----
Alfalah GHP Sovereign Fund (common management)		
Pakistan investment bonds - purchased	<u>49,346,700</u>	-
Treasury bills - sold	<u>408,294,210</u>	-
Alfalah GHP Value Fund (common management)		
Treasury bills - purchased	-	<u>14,790,750</u>
Alfalah GHP Islamic Income Fund (Formerly IGI Islamic Income Fund) (common management)		
GOP Ijara Sukuk - purchased	<u>52,509,000</u>	-
GOP Ijara Sukuk - sold	<u>7,035,000</u>	-
Alfalah GHP Islamic Stock Fund (Formerly Alfalah GHP Islamic Fund) (common management)		
Term finance certificates - purchased	<u>60,993,900</u>	-

19.2 Unit Holder's Fund

	June 30, 2015									
	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 June 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2015
	----- (Units) -----				----- (Rupees) -----					
Associated companies / undertakings										
Bank Alfalah Limited * Management Company	5,481,236	-	-	-	5,481,236	263,505,467	-	-	-	277,510,024
	2,016,664	2,163,450	-	4,180,114	-	96,949,296	109,500,000	-	220,191,102	-
Key management personnel Employees										
Head of Operations	1,396	-	-	1,396	-	67,122	-	-	76,249	-
Unit holder holding 10% or more units										
Society for the Promotion of Engineering Sciences & Technology in Pakistan	-	3,575,051	224,996	-	3,800,047	-	180,000,000	11,390,112	-	192,392,960
	June 30, 2014									
	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 June 2014	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2014
	----- (Units) -----				----- (Rupees) -----					
Associated companies / undertakings										
Bank Alfalah Limited * Management Company	5,481,236	-	-	-	5,481,236	259,504,165	-	-	-	263,505,467
	-	2,031,152	177,592	192,079	2,016,664	-	99,959,594	8,543,913	10,000,000	96,949,296
Unit holder holding 10% or more units										
Attock Cement Pakistan Limited	-	5,924,614	510,168	-	6,434,782	-	300,000,000	24,511,671	-	309,346,376
Habib Metropolitan Bank Limited	-	4,082,621	269,261	1,019,853	3,332,029	-	210,000,000	12,940,249	51,801,283	160,184,301

* Bank Alfalah Limited also hold more than 10% units in the Fund.

**20. FINANCIAL RISK MANAGEMENT**

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

20.1 Market risk

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

20.1.1 Interest rate risk

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

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

	Effective rate of mark-up/ return %	June 30, 2015				Total
		Exposed to yield / profit rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6% - 7%	180,146,284	-	-	-	180,146,284
Investments	6 months KIBOR +1% to 6 months KIBOR + 2%, 3 months KIBOR + 2.25%	-	297,564,337	1,705,739,298	-	2,003,303,635
Mark-up and other receivables		765,653	21,821,778	70,017,205	1,450,333	94,054,969
Deposits		-	-	-	2,600,000	2,600,000
		<u>180,911,937</u>	<u>319,386,115</u>	<u>1,775,756,503</u>	<u>4,050,333</u>	<u>2,280,104,888</u>
Financial liabilities						
Payable to the Management Company		-	-	-	4,024,538	4,024,538
Payable to the Trustee		-	-	-	190,671	190,671
Accrued and other liabilities		-	-	-	6,583,768	6,583,768
Payable on redemption to unit holders		-	-	-	520,527,894	520,527,894
		-	-	-	531,326,871	531,326,871
On-balance sheet gap		<u>180,911,937</u>	<u>319,386,115</u>	<u>1,775,756,503</u>	<u>(527,276,538)</u>	<u>1,748,778,017</u>

	Effective rate of mark-up/return %	June 30, 2014				Total
		Exposed to yield / profit rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7 - 9.25%	166,046,127	-	-	-	166,046,127
Investments	6 months KIBOR +1% to 6 months KIBOR + 2% 3 months KIBOR + 2.25%	490,941,640	777,201,048	132,396,453	-	1,400,539,141
Mark-up and other receivables		-	-	-	23,346,208	23,346,208
Deposits		-	-	-	2,600,000	2,600,000
		<u>656,987,767</u>	<u>777,201,048</u>	<u>132,396,453</u>	<u>25,946,208</u>	<u>1,592,531,476</u>
Financial liabilities						
Payable to the Management Company		-	-	-	3,711,464	3,711,464
Payable to the Trustee		-	-	-	113,529	113,529
Accrued and other liabilities		-	-	-	945,882	945,882
Distribution payable		-	-	-	15,806,280	15,806,280
		-	-	-	20,577,155	20,577,155
On-balance sheet gap		<u>656,987,767</u>	<u>777,201,048</u>	<u>132,396,453</u>	<u>5,369,053</u>	<u>1,571,954,321</u>

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

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Fixed rate instruments		
Market treasury bills	297,564,337	1,063,142,688
Pakistan investment bonds	1,463,206,568	-
	<u>1,760,770,905</u>	<u>1,063,142,688</u>
Variable rate instruments		
Bank balances	180,146,284	166,046,127
Government of Pakistan ijara sukuks	52,405,500	-
Sukuk certificates	164,297,139	95,560,170
Term finance certificates	25,830,091	36,836,283
	<u>422,679,014</u>	<u>298,442,580</u>

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

Sensitivity analysis for variable rate instruments

In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.3.596 million (June 30, 2014: Rs.1.314 million).

Sensitivity analysis for fixed rate instruments

In case of 100 basis points increase / decrease in interest rate (determined by market forces) at year end, the net assets attributable to unit holders of the Fund and net income for the year would be lower / higher by Rs.57.579 million (June 30, 2014: Rs.3.2 million). This analysis assumes that all other variables remain constant.

20.1.2 Currency risk

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

20.1.3 Other price risk

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

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

20.2 Credit risk

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

Credit risk on debt securities is mitigated by investing primarily investment grade securities both listed and unlisted. The Fund's Cash and cash equivalents are held mainly with Bank Alfalah Limited, which is rated AA by PACRA (2014: AA by PACRA).

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

The maximum exposure to credit risk before any credit enhancements at June 30, 2015 is the carrying amount of the financial assets as set out below:

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Financial assets		
Bank balances	180,146,284	166,046,127
Investments	190,127,230	337,396,453
Mark-up and other receivables	20,393,203	21,895,831
Deposits	2,600,000	2,600,000
	<u>393,266,717</u>	<u>527,938,411</u>
Interest in Government securities amounting to Rs.1,813.176 million (June 30, 2014: Rs.1,063.143 million) is not exposed to credit risk.		
Secured	190,127,230	337,396,453
Unsecured	203,139,487	190,541,958
	<u>393,266,717</u>	<u>527,938,411</u>

None of the above financial assets were considered to be past due or impaired in 2015 and 2014 except for exposures as provided in note 5.7 and 5.8. The Management Company follows Circulars 33 of 2012 containing criteria for provisioning of non-performing debt securities issued by SECP for the purpose of making provision against non-performing debt securities. Further, Management Company has devised provisioning policy duly approved by its Board of Directors for making provision over and above that required by the said circular against non performing assets.

Sector wise analysis of maximum exposure to credit risk for investments in debt securities as at June 30, 2015 is given below:

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Construction and material	27,041,729	44,936,170
Commercial banks	25,830,091	6,203,643
Electricity	56,427,910	25,737,500
Fertilizer	80,827,500	29,658,960
Leasing companies	-	973,680
Miscellaneous	-	24,886,500
	<u>190,127,230</u>	<u>132,396,453</u>

The analysis below summarises the credit quality of the Fund's investment in term finance certificates and sukuk certificates as at June 30, 2015 and June 30, 2014.

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
Term Finance Certificates / Sukuk Certificates by credit rating category		
A, A- and A+	60.00%	65.00%
BBB, BBB-, BB+ and BB	-	34.00%
Non rated / non-performing	40.00%	1.00%
	<u>100%</u>	<u>100%</u>

Concentration of credit Risk

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

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

The analysis below summarizes the credit quality of the Fund's investment in Bank balance, Term Finance Certificates and Sukuk certificates as at June 30, 2015.

	June 30, 2015	June 30, 2014
	----- (Rupees) -----	
A1+/AA	205,959,668	166,029,420
A1+/AA (deutsche bank)	137,272,117	16,707
A-	<u>27,041,729</u>	-
	<u><u>370,273,514</u></u>	<u><u>166,046,127</u></u>

20.3 Liquidity risk

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

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

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

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

	As at June 30, 2015			
	Carrying value	Upto one month	More than one month and upto three months	More than three month and upto one year
	----- (Rupees) -----			
Liabilities				
Payable to the Management Company	4,024,538	4,024,538	-	-
Payable to the Trustee	190,671	190,671	-	-
Accrued and other liabilities	6,583,768	109,727	6,474,041	-
Distribution payable	<u>520,527,894</u>	<u>520,527,894</u>	-	-
	<u>531,326,871</u>	<u>524,852,830</u>	<u>6,474,041</u>	<u>-</u>
	As at June 30, 2014			
	Carrying value	Upto one month	More than one month and upto three months	More than three month and upto one year
	----- (Rupees) -----			
Liabilities				
Payable to the Management Company	1,768,134	1,768,134	-	-
Payable to the Trustee	113,529	113,529	-	-
Accrued and other liabilities	769,162	63,742	705,420	-
Distribution payable	<u>15,806,280</u>	<u>15,806,280</u>	-	-
	<u>18,457,105</u>	<u>17,751,685</u>	<u>705,420</u>	<u>-</u>

20.4 Operational risk

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

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

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

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

20.5 Unit Holders' Fund risk management

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

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

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

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

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

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

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the 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 significantly different from book value.

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

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

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

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

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

	June 30, 2015			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss' - held-for-trading				
Market treasury bills	-	297,564,337	-	297,564,337
Term Finance Certificates	-	25,830,091	-	25,830,091
Sukuk Certificates	-	137,255,410	-	137,255,410
Pakistan investment bonds	-	1,463,206,568	-	1,463,206,568
Government of Pakistan Ijara sukuks	-	52,405,500	-	52,405,500
	-	1,976,261,906	-	1,976,261,906
Financial assets classified as 'available-for-sale'				
Sukuk Certificates	-	27,041,729	-	27,041,729
	-	2,003,303,635	-	2,003,303,635

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets 'at fair value through profit or loss' - held-for-trading				
Market treasury bills	-	1,063,142,688	-	1,063,142,688
Term Finance Certificates	-	35,862,603	-	35,862,603
Sukuk Certificates	-	50,624,000	-	50,624,000
	-	1,149,629,291	-	1,149,629,291
Financial assets classified as 'available-for-sale'				
Term Finance Certificates	-	973,680	-	973,680
Sukuk Certificates	-	44,936,170	-	44,936,170
	-	45,909,850	-	45,909,850
	-	1,195,539,141	-	1,195,539,141

During the year ended June 30, 2015, 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.

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 24, 2015.

24. GENERAL

Figures are rounded off to the nearest rupee.

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

Chief Executive

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at June 30, 2015			
	Number of unit holders	Number of units held	(Rupees)	% of total
Individuals	390	20,818,218	1,054,007,104	62%
Associated Co./ Directors	1	5,481,236	277,509,888	16%
Insurance Co.	1	1,658,940	83,990,576	5%
Retirement & Other Funds	15	1,928,422	97,634,239	6%
Others	4	3,809,280	192,860,356	11%
	411	33,696,096	1,706,002,163	100%

Category	As at 30 June 2014			
	Number of unit holders	Number of units held	(Rupees)	% of total
Individuals	75	4,330,854	208,201,965	13%
Associated Co./ Directors	2	7,497,899	360,454,648	23%
Insurance Co.	1	1,100,397	52,900,608	3%
Banks/ DFIs	1	3,332,029	160,184,333	10%
Retirement & Other Funds	8	3,992,495	191,935,664	12%
Others	12	12,320,068	592,276,479	38%
	99	32,573,742	1,565,953,697	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2015
	%
Invest Capital Markets Limited	33
JS Global Capital Limited	24
Invest One Market Limited	17
Summit Capital (Pvt) Ltd	12
BMA Capital management	5
Icon Securities	4
KASB	3
Vector Capital	1
Global securities	1
AMZ	0
	30 June 2014
	%
JS Global Capital Limited	43
Summit Capital (Pvt) Ltd	23
Global securities	10
Invest Capital Markets Limited	9
BMA Capital management	6
Invest One Market Limited	5
Optimus capital management	2
KASB securities	1
Pearl securities	1
ICON securities	1

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Ather Husain Medina

Mr. Medina, a qualified professional with extensive work experience of over 20 years in the financial sector is serving Alfalah GHP Investment Management Ltd. as Chief Investment Officer. Prior to joining the company he was associated with Invest Capital Investment Bank Ltd. as Head of Business Development and Atlas Asset Management as Chief Investment Officer. He has also worked with some other leading organizations which include National Investment Trust where he was heading the Research team, and SG Securities (HK) Holdings Ltd. and Indosuez W.I Carr Securities Pakistan in the Investment Research area. His expertise includes the banking sector of Pakistan as well, in which he worked at two leading commercial banks, Habib Bank Ltd. and MCB Bank Ltd. By qualification Mr. Medina is an MBA from the Institute of Business Administration (IBA), Karachi and holds a Computer Science degree from National University of Computer and Emerging Sciences (FAST-NU), Karachi.

Noman Soomro

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

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited

in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Imran Altaf

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 62nd, 63rd, 64th, 65th, 66th & 67th Board Meetings were held on 27 Aug 2014, 27 Oct 2014, 02 Feb 2015, 23 Apr 2015, 13 May 2015 and 26 June 2015 respectively.

Name of Director	Number of Meetings			
	Held	Attended	Leave granted	Meeting not attended
Syed Ali Sultan	6	5	1	1
Mr. Amin Dawood Saleh	6	4	2	2
Mr. Michael Buchen	6	6	-	-
Mr. David Burlison	-	-	-	-
Mr. Hanspeter Beier	6	3	3	3
Ms. Maheen Rahman	6	6	-	-
Mr. Abid Naqvi	6	6	-	-
Mr. Asif Saad	6	2	4	4

· Subsequent to the year end, Mr. Asif Saad resigned from the Board of Directors of the Company with effect from July 9, 2015

PERFORMANCE TABLE AGAF

	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
	----- (Rupees in '000) -----				
Net Assets	1,706,002	1,565,954	333,747	253,875	284,292
NAV per unit	50.6291	48.0741	47.3441	46.0373	49.4753
Selling price per unit	52.6553	54.1793	52.7208	51.9071	53.0108
Redemption price per unit	50.6291	48.2934	46.5413	42.0173	47.1599
Highest selling price per unit	57.6340	50.0148	48.7645	47.4184	50.9595
Highest redemption price per unit	55.4162	52.0771	51.1852	50.3953	51.4668
Lowest selling price per unit	50.0379	46.8868	45.1857	40.7935	45.7863
Lowest redemption price per unit	48.0963	48.0741	47.3441	46.0373	49.4753
Total interim distribution per unit	4.248	5.0445	3.86	N/A	N/A
Interim distribution date	26-Jun-15	4-Jan-14	27-Jun-13	N/A	N/A
	N/A	30-Jun-14	N/A	N/A	N/A
Final distribution per unit	N/A	N/A	N/A	N/A	N/A
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	14.18%	12.35%	11.23%	-3.90%	1.97%
Income distribution	8.84%	10.65%	8.38%	Nil	Nil
Weighted avg. portfolio duration	2.86 Yrs	213 Days	1.15 Yrs	1.64 Yrs	3.89 Yrs

Return since inception is **7.14%**








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










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