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**FUND'S INFORMATION**

<b>Management Company:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi..
<b>Board of Directors of the Management Company:</b>	<ul style="list-style-type: none"><li>- Ms. Maheen Rahman</li><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Mr. Hanspeter Beier</li><li>- Mr. Amin Dawood Saleh</li><li>- Mr. Muhammad Asif Saad</li><li>- Mr. Abid Naqvi</li></ul>
<b>Head of Finance:</b>	- Syed Hyder Raza Zaidi
<b>Chief Operating Officer &amp; Company Secretary:</b>	- Noman Ahmed Soomro
<b>Audit Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Abid Naqvi</li><li>- Mr. Amin Dawood Saleh</li></ul>
<b>HR Committee:</b>	<ul style="list-style-type: none"><li>- Syed Ali Sultan</li><li>- Mr. Michael Hermann</li><li>- Ms. Maheen Rahman</li></ul>
<b>Trustee:</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi
<b>Fund Manager:</b>	Nabeel Malik
<b>Bankers to the Fund:</b>	Bank Alfalah Limited
<b>Auditors:</b>	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
<b>Legal Advisor:</b>	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
<b>Registrar:</b>	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
<b>Distributor:</b>	Bank Alfalah Limited
<b>Rating:</b>	Not Yet Rated

**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 Capital Preservation 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.

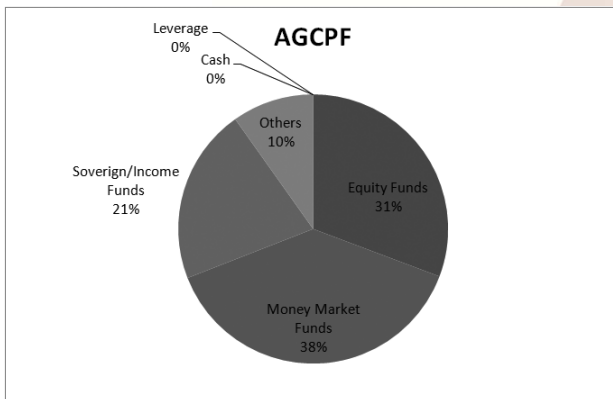
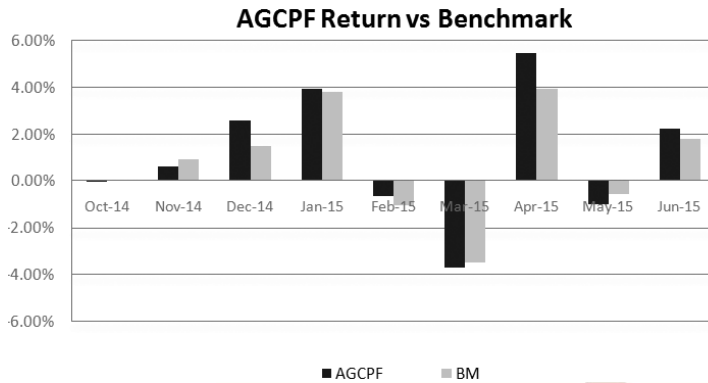
**Overall outlook**

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 Capital Preservation Fund: Fund Operations and Performance**

The Fund was launched during year in October, 2015. Since its launch, the Fund posted a return of 10.00% for the period ended June 30, 2015. During the same period the benchmark return (W.A daily return of KSE100 & 6M Dep. Rate of 'AA-' & Above Banks, based on actual participation in equity & debt component) was 6.54%. The fund maintained a rather conservative strategy as far as its multiplier and subsequent allocation were concerned. Despite the comparatively lower allocation to risky asset the fund managed to comfortably outperform its benchmark primarily because of the monetary easing cycle which resulted in extraordinary returns from the low risk portfolio.

PACRA is yet to assign a rating to the fund. The fund size on June 30th 2015 stood at PKR 1.76 bn.



**Change in Board Members during the period** (Rupees in Million)

Description	For the year ended June 30 ,2015
Net Assets	1,761.296
Gross income	169.478
Total Comprehensive Income	165.652
Net Assets Value per Unit (Rs.)	103.69
Issuance of units during the period	1,720.348
Redemption of units during the period	19.881

**Payout**

At the end of the year under review, the fund paid out cash dividend of Rs.6.3308 per unit

**Future Outlook**

Going forward, the focus will be on maintaining the conservative approach in order to safeguard the fund's return given the fund's structure. The idea is to enable the fund to achieve competitive return while striving to preserve the investors' capital.

**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 # 17.2.
- 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 # 17.2.

**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.

<b>Member</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
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

Fund of Funds Scheme

### Investment Objective

The objective of the Fund is to earn a potentially high return through dynamic asset allocation between Equities and Sovereign Income / Money Market based Collective Investment Schemes in order to provide capital preservation of the Initial Investment Value at completion of the Duration of Fund.

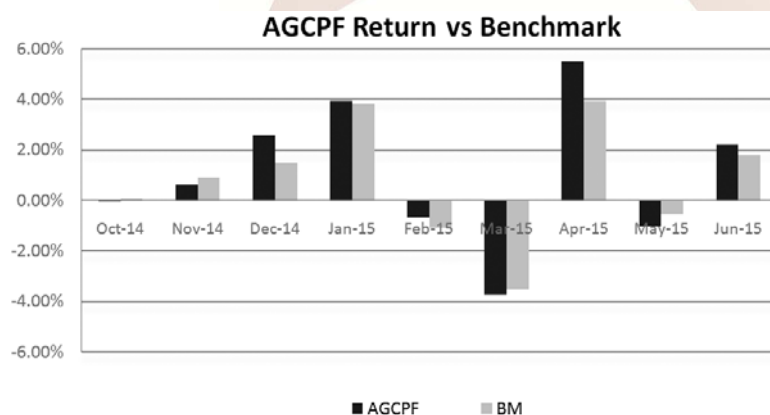
### Accomplishment of Objective

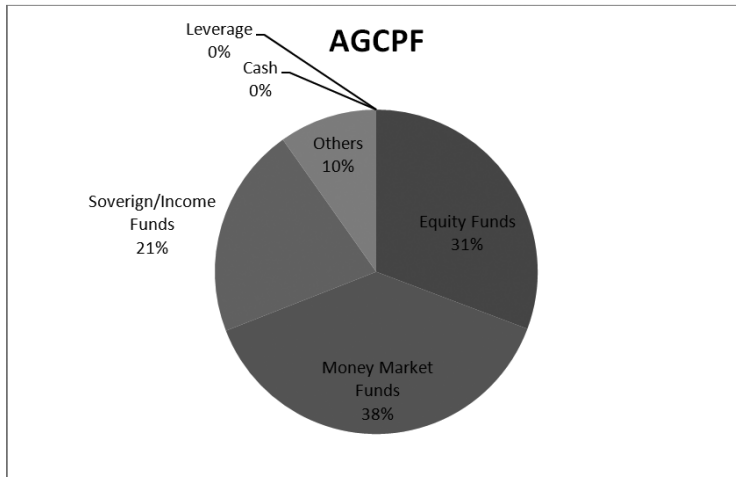
The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

### Fund performance review and strategies employed

The Fund was launched during year in October, 2015. Since its launch, the Fund posted a return of 10.00% for the period ended June 30, 2015. During the same period the benchmark return (W.A daily return of KSE100 & 6M Dep. Rate of 'AA-' & Above Banks, based on actual participation in equity & debt component) was 6.54%. The fund maintained a rather conservative strategy as far as its multiplier and subsequent allocation were concerned. Despite the comparatively lower allocation to risky asset the fund managed to comfortably outperform its benchmark primarily because of the monetary easing cycle which resulted in extraordinary returns from the low risk portfolio.

PACRA is yet to assign a rating to the fund. The fund size on June 30th 2015 stood at PKR 1.76 bn.



**Assets Allocation/Portfolio quality**

**Credit Quality (as % of Total Assets)**

AAA (f)	0.00%
AA (f)	38.34%
AA	0.04%
AA- (f)	21.13%
A+	0.00%
2 Star	15.38%
3 Star	15.36%
NR/UR	9.76%

**Future Outlook**

Going forward, the focus will be on maintaining the conservative approach in order to safeguard the fund's return given the fund's structure. The idea is to enable the fund to achieve competitive return while striving to preserve the investors' capital.

**Key Financial Data**

(Rupees in Million)

Description	For the year ended June 30 ,2015
Net Assets	1,761.296
Gross income	169.478
Total Comprehensive Income	165.652
Net Assets Value per Unit (Rs.)	103.69
Issuance of units during the period	1,720.348
Redemption of units during the period	19.881

**Payout**

At the end of the year under review, the fund paid out cash dividend of Rs.6.3308 per unit

**Fund Manager**



**REPORT OF THE TRUSTEE TO THE UNIT HOLDERS**

**ALFALAH GHP CAPITAL PRESERVATION FUND**

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

Alfalsh GHP Capital Preservation Fund, an open-end Scheme established under a Trust Deed dated August 28, 2014 executed between Alfalsh GHP Investment Management Limited, as the Management Company and MCB Financial Services Limited (MCBFSL), as the Trustee. The trust deed was approved by Securities and Exchange Commission of Pakistan (Commission) on August 19, 2014.

1. Alfalsh GHP Investment Management Limited, the Management Company of Alfalsh GHP Capital Preservation Fund has in all material respects managed Alfalsh GHP Capital Preservation Fund during the period from 19<sup>th</sup> September 2014 to 30<sup>th</sup> June 2015 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement



Khawaja Anwar Hussain  
Chief Executive Officer  
MCB Financial Services Limited

Karachi: September 16, 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. 35 of Listing Regulation of Lahore 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 i (b) of the Code.

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

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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 Capital Preservation Fund** (the Fund) for the year ended **30 June 2015** to comply with the requirements of Regulation No. 35 of Listing Regulations of Lahore Stock Exchange 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.

  
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 Capital Preservation 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 period then ended, and a summary of significant accounting policies and other explanatory notes.

#### Management's responsibility for the financial statements

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

#### Auditors' responsibility

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

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

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

#### 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 period 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 --- (Rupees) ---
<b>Assets</b>		
Bank balances	4	410,484
Investments	5	1,775,273,519
Deferred formation cost	6	755,645
Mark-up receivable	7	12,560
Receivable against sale of investments		<u>10,000,000</u>
<b>Total assets</b>		<b>1,786,452,208</b>
<b>Liabilities</b>		
Payable to the Management Company	8	1,500,335
Payable to the Trustee	9	144,351
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	10	859,426
Provision for Workers' Welfare Fund (WWF)	11	3,380,644
Accrued and other liabilities	12	19,271,825
<b>Total liabilities</b>		<b>25,156,581</b>
<b>Net assets attributable to unit holders</b>		<b><u>1,761,295,627</u></b>
<b>Unit holders' funds</b>		<b><u>1,761,295,627</u></b>
<b>Contingencies and commitments</b>	13	(Number of units)
<b>Number of units in issue</b>		<b><u>16,986,398</u></b>
<b>Net assets value per unit</b>		<b><u>--- (Rupees) ---</u></b> <b><u>103.6886</u></b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director



**INCOME STATEMENT**

FOR THE PERIOD FROM SEPTEMBER 19, 2014 TO JUNE 30, 2015

	Note	From September 19, 2014 to June 30, 2015 --- (Rupees) ---
<b>Income</b>		
Profit on deposit accounts with banks		7,211,085
'At fair value through profit or loss - held-for-trading		
- Net gain on sale of investments		52,404,882
- Net unrealised diminution in the value of investments		(64,969,711)
- Dividend income from mutual fund units		173,837,975
Other income		994,056
<b>Total income</b>		<b>169,478,287</b>
<b>Expenses</b>		
Remuneration to the Management Company		1,001
Sales tax on management fee		174
Federal excise duty on management fee	14	160
Remuneration to the Trustee		1,145,908
Annual fee to SECP		859,426
Bank charges		8,411
Amortisation of deferred formation cost		461,355
Auditors' remuneration	15	293,771
Annual listing fee		19,989
Annual rating fee		232,033
Printing charges		301,566
Provision for Workers' Welfare Fund	11	3,380,644
<b>Total expenses</b>		<b>6,704,438</b>
<b>Net income from operating activities</b>		<b>162,773,849</b>
Element of income and capital gains included in prices of units sold less those in units redeemed - net		2,877,686
<b>Net income for the period before taxation</b>		<b>165,651,535</b>
Taxation	16	-
<b>Net income for the period after taxation</b>		<b>165,651,535</b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**STATEMENT OF COMPREHENSIVE INCOME**  
*FOR THE PERIOD FROM SEPTEMBER 19, 2014 TO JUNE 30, 2015*

	From September 19, 2014 to June 30, 2015 --- (Rupees) ---
<b>Net income for the period</b>	<b>165,651,535</b>
Other comprehensive income during the period	-
<b>Total comprehensive income for the period</b>	<b><u>165,651,535</u></b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director

**DISTRIBUTION STATEMENT**

FOR THE PERIOD FROM SEPTEMBER 19, 2014 TO JUNE 30, 2015

	From September 19, 2014 to June 30, 2015 --- (Rupees) ---
Total comprehensive income for the period	<u>165,651,535</u>
Interim distribution for the period ended June 30, 2015:	
- Cash distribution: Rs.0.0428 per unit approved on June 23, 2015	<u>(688,973)</u>
- Cash distribution: Rs.6.2880 per unit approved on June 26, 2015	<u>(101,256,344)</u> <u>(101,945,317)</u>
<b>Undistributed income carried forward at end of the period</b>	
- Realised gains	<u>128,675,929</u>
- Unrealised losses	<u>(64,969,711)</u> <u>63,706,218</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
*FOR THE PERIOD FROM SEPTEMBER 19, 2014 TO JUNE 30, 2015*

	From September 19, 2014 to June 30, 2015 --- (Rupees) ---
Amount realised on issuance of 17,172,134 units	1,720,347,841
Amount paid on redemption of 185,736 units	<u>(19,880,746)</u>
	1,700,467,095
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(2,877,686)
Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>(64,969,711)</b>
Others	230,621,246
Interim distribution for the period ended June 30, 2015:	
- Cash distribution: Rs.0.0428 per unit approved on June 23, 2015	(688,973)
- Cash distribution: Rs.6.2880 per unit approved on June 26, 2015	<b>(101,256,344)</b>
Total comprehensive income for the period	63,706,218
<b>Net assets at end of the period</b>	<b><u>1,761,295,627</u></b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
 Director

**STATEMENT OF CASH FLOWS**  
FOR THE PERIOD FROM SEPTEMBER 19, 2014 TO JUNE 30, 2015

	From September 19, 2014 to June 30, 2015 --- (Rupees) ---
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income for the period	165,651,535
<b>Adjustments for:</b>	
Amortization of deferred formation cost	461,355
Provision for Workers' Welfare Fund	3,380,644
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading	(52,404,882)
Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss - held-for-trading	64,969,711
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(2,877,686)
	179,180,677
<b>Increase in assets</b>	
Investments - net	(1,787,838,348)
Deferred formation cost	(1,217,000)
Mark-up receivable	(12,560)
Receivable against sale of investments	(10,000,000)
	(1,799,067,908)
<b>Increase in liabilities</b>	
Payable to the Management Company	1,500,335
Payable to the Trustee	144,351
Annual fee to SECP	859,426
Accrued and other liabilities	19,271,825
	21,775,937
<b>Net cash flows used in operating activities</b>	(1,598,111,294)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issuance of units (including units issued to pre-IPO investors against accrued interest before initial period)	1,720,347,841
Payment against redemption of units	(19,880,746)
Cash dividend paid	(101,945,317)
<b>Net cash generated from financing activities</b>	1,598,521,778
<b>Cash and cash equivalents at end of the period</b>	410,484

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**NOTES TO THE FINANCIAL STATEMENTS***FOR THE PERIOD FROM SEPTEMBER 19, 2014 TO JUNE 30, 2015***1. LEGAL STATUS AND NATURE OF BUSINESS**

Alfalah GHP Capital Preservation Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and MCB Financial Services Limited (the Trustee). The Trust Deed was executed on August 28, 2014 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 August 19, 2014.

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

The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. NBFCEI/DD/AGPPF-III/461/2010 dated June 01, 2010 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGCPF/65/2014 dated August 19, 2014.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. Units were offered for public subscription upto the end of the public offering period. The Fund commenced its operations from October 29, 2014 and the duration of the Fund is twenty five months. The Fund shall stand automatically dissolved after thirty (30) business days of the life of the Fund. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

The objective of the Fund is to earn a potentially high return through dynamic asset allocation between equities and sovereign income / money market based collective investment schemes in order to provide capital preservation of the initial investment value at completion of the duration of the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of 'AM2-' (Outlook: Stable) to the Management Company in its rating report dated April 15, 2015.

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

**2. BASIS OF PRESENTATION****2.1 Statement of compliance**

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

requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

## **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

## **2.3 Functional and presentation currency**

These financial information 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 following accounting policies were adopted in the preparation of these financial statements:

### **3.1 New Standards, Interpretations and Amendments**

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

IFRS 8 Operating Segments – Aggregation of 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

**Improvements to Accounting Standards Issued by the IASB**

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, 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 instruments 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.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held-for-trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities 'held-for-trading'.

**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 amortized 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 recognizes financial assets and financial liabilities on the date when it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognized 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 recognized 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 instruments. Transaction costs on financial instruments '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 recognized in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognized in Unit Holders' Fund until derecognized or impaired, then the accumulated fair value adjustments recognized in Unit Holders' Fund are included in the Income Statement.

**Fair value measurement principles*****Basis of valuation of Quoted Equity Securities / Units of Mutual Funds***

The fair value of quoted equity securities / units of mutual funds are based on their price quoted on the Stock Exchange / NAVs declared by the relevant Asset Management Companies at the balance sheet date without any deduction for estimated future selling costs.

**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 an impairment loss is in Income Statement.

However, the decrease in impairment loss on equity securities classified as available-for-sale is recognized in unit holder's fund and for debt securities classified as available-for-sale is recognized 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 distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units 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 as dividend.

The Fund records the net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and redeemed during an accounting period in the Income Statement while the portion of the element of income / (loss) and capital gains / (losses) that relates to unrealised gains / (losses) 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 Statement of Assets and Liabilities 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 twenty five months commencing from September 19, 2014.

### 3.10 Net asset value per unit

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

### 3.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management's 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 realized 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 or loss' are included in the Income Statement in the period in which they arise.
- Gains / (losses) arising on revaluation of derivatives to fair value are taken to the Income Statement.
- Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed is included in the Income Statement on the date of issue and redemption of units.
- Dividend Income is recognised when the right to receive the dividend is established.
- Profit on bank deposit is recognized on time proportionate basis taking into account effective yield.

**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 and term deposit receipts. Cash and cash equivalents 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:

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)	January 01, 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IFRS 11 – Joint Arrangements	January 01, 2015

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Fund expects that the adoption of the above amendments and interpretation of the standards will not 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**

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	<b>June 30, 2015</b>
<b>4. BANK BALANCES</b>	---	<b>--- (Rupees) ---</b>
Deposit accounts	4.1	<u><u>410,484</u></u>

4.1 This represents balances in deposit accounts with banks and carry interest rates ranging from 6% to 7%.

**June 30,  
2015**  
Note --- (Rupees) ---

## 5. INVESTMENTS

### Financial asset at fair value through profit or loss - held-for-trading

Mutual Fund units - open ended 5.1 1,775,273,519  
1,775,273,519

#### 5.1 Units of Mutual Funds - open ended - 'At fair value through profit or loss' - held-for-trading

Particulars	Purchased during the period	Sold during the period	As at June 30, 2015	Carrying amount as at June 30, 2015	Market value as at June 30, 2015	Net assets on the basis of market value	Total investment on the basis of market value
	----- (No. of Units) -----			----- (Rupees) -----		----- (%) -----	
Alfalsh GHP Cash Fund *	3,978,727	3,264,995	713,732	377,823,887	357,551,602	20%	20%
Alfalsh GHP Stock Fund (formerly IGI Stock Fund) *	5,457,546	2,812,660	2,644,886	309,738,491	308,419,795	18%	17%
Alfalsh GHP Alpha Fund *	9,599,984	5,010,623	4,589,361	303,376,870	303,999,311	17%	17%
Alfalsh GHP Sovereign Fund *	8,129,815	3,972,812	4,157,003	447,799,741	427,391,415	24%	24%
Alfalsh GHP Money Market Fund (formerly IGI Money Fund) *	7,073,998	3,325,565	3,748,433	401,504,241	377,911,396	21%	21%
	<u>34,240,070</u>	<u>18,386,655</u>	<u>15,853,415</u>	<u>1,840,243,230</u>	<u>1,775,273,519</u>		

\* These represent investments held in related parties i.e. funds under common management.

## 6. DEFERRED FORMATION COST

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

Formation cost incurred 1,217,000  
Amortised to the income statement during the period (461,355)  
Unamortised cost at the end of the period 755,645

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of the cost over the life of the Fund (twenty five months). Accordingly, the said expenses are being amortised over a period of twenty five months effective from September 19, 2014.

	Note	June 30, 2015 --- (Rupees) ---
<b>7. MARK-UP RECEIVABLE</b>		
Mark-up on deposit accounts		<u>12,560</u>
<b>8. PAYABLE TO MANAGEMENT COMPANY</b>		
Remuneration payable	8.1	1,001
Sales tax on management fee		174
Federal excise duty on management fee	14	160
Formation cost payable		1,217,000
Other payables		<u>282,000</u>
		<u>1,500,335</u>

**8.1** The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding three percent per annum during the life of the Fund. Further, as per the requirement of NBFC regulations, the management company shall not charge any fee if the Fund makes investment in the Collective investment Schemes (CIS) managed by the same management company. During the period, the Fund has mainly invested in the CIS managed by the same Management Company, resulting in a very nominal amount of fee charged on account of management fee.

**9. PAYABLE TO THE TRUSTEE**

Trustee fee	9.1	<u>144,351</u>
-------------	-----	----------------

**9.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, calculated at the rate 0.1% per annum of the daily average net assets of the Fund. The remuneration to the Trustee has been calculated after the end of initial period (i.e. September 19, 2014).

**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, 2008, whereby the Fund is required to pay SECP an amount at the rate of 0.075% of the average daily net assets of the Fund. Annual fee to the SECP has been calculated after the end of initial period (i.e. September 19, 2014).

**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 make the provision for WWF amounting to Rs.3.380 million up to June 30, 2015. Had the provision not been made, the NAV per unit would have been higher by Re.0.20 (0.19%) 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 --- (Rupees) ---
<b>12. ACCRUED AND OTHER LIABILITIES</b>	
Federal excise duty and sales tax payable on front end load	8,888,957
Printing charges payable	249,406
Auditors' remuneration	211,521
Withholding tax	9,921,941
	19,271,825

**13. CONTINGENCIES AND COMMITMENTS**

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



**14. 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 these financial statements.

**15. AUDITORS' REMUNERATION**

Audit fee  
Other certification and services

Sales tax  
Out of pocket expenses

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

	149,000
	101,000
	250,000
	12,500
	31,271
	293,771

**16. 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 intends to distribute 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.

**17. TRANSACTIONS 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 MCB Financial Services Limited (MCBFSL) 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.

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

	June 30, 2015 --- (Rupees) ---
<b>Alfalah GHP Investment Management Limited - Management Company</b>	
Balance at beginning of the period	-
Remuneration of the Management Company	1,001
Sales tax on management fee	174
Federal excise duty on management fee	160
Formation cost payable	1,217,000
Other payables	282,000
	<u>1,500,335</u>
Amount paid during the period	-
Balance at the end of the period	<u><u>1,500,335</u></u>
<b>MCB Financial Services Limited</b>	
Balance at beginning of the period	-
Remuneration of the Trustee	1,145,908
CDS charges for the period	-
	<u>1,145,908</u>
Amount paid during the period	<u>(1,001,557)</u>
Balance at the end of the period	<u><u>144,351</u></u>
<b>Bank Alfalah Limited</b>	
Deposits at the end of the period	<u>410,484</u>
Profit on deposit accounts for the period	<u>7,211,085</u>
Profit receivable at the end of the period	<u>12,560</u>
Bank charges for the period	<u><u>8,411</u></u>

**17.2 Unit Holders' Fund**

	For the period from September 19, 2014 to June 30, 2015							
	Issued for cash / conversion in / transfer in	Bonus / Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2015
	----- (Units) -----				----- (Rupees) -----			
<b>Associated companies / undertakings</b>								
Bank Alfalah Limited - Employees Gratuity Fund Trust	1,777,306	108,727	-	1,886,033	180,000,000	-	-	195,562,762

## 18. FINANCIAL RISK MANAGEMENT

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

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

The management of these risks are carried out by the Investment Committee (IC) under policies approved by the Board of Directors of the Management Company. The IC is constituted and approved by the Board of Directors of the Management Company. Investment committee is responsible to devise the investment strategy and manage the investment portfolio of the Fund in accordance with limits prescribed in the Non Banking Finance Companies and Notified Entities Regulations, 2008, offering document of the Fund in addition to Fund's internal risk management policies.

The Fund primarily invests in a mix of equity and sovereign income / money market funds. The Fund may also invest in other equity and sovereign income / money market funds available to it. Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to credit risk, liquidity risk, market risk and operational risk.

### 18.1 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties to fulfil their obligations. There is a possibility of default of issuers of the instrument, financial institutions or counter parties.

#### **Management of credit risk**

The Fund's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. The Investment Committee closely monitors the creditworthiness of the Fund's counterparties (e.g., issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Fund only invests in liquid equity and money market based collective investment schemes (CIS).

#### **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Carrying Amount
	June 30, 2015
	--- (Rupees) ---
Bank balances	410,484
Investments - Units of mutual funds	1,775,273,519
Mark-up receivable	12,560
Receivable against sale of investments	10,000,000
	<u>1,785,696,563</u>

Differences in the balances as per the statement of assets and liabilities and maximum exposures is due to deferred formation cost amounting to Rs.0.76 million which do not carry credit risk.

***Past due or impaired financial assets***

None of the financial assets are considered to be past due or impaired as at June 30, 2015.

***Concentration of the credit risk***

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

99.37% of the financial assets aggregating to Rs.1,775.274 million are invested in funds managed by the management company. The management company believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Fund to any major concentration risk.

Details of the credit ratings of the investment and bank balances are as follows:

	June 30, 2015	
	Investment in mutual fund units	Bank balances
	----- % -----	----- % -----
AAA	20%	-
4-Star	18%	-
1-Star	17%	-
AA-	24%	-
AA+	21%	-
AA	-	100%
	<u>100%</u>	<u>100%</u>

**18.2 Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

**Management of liquidity risk**

The Fund's policy is to manage this risk by investing its assets in units issued by collective investment schemes (CIS) that are redeemable on demand as per terms of their offering document.

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

**Maturity analysis for financial liabilities**

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

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

	June 30, 2015			
	Contractual cash flows and carrying amount	8 days to one months	later than one month and not later than three months	later than three months and not later than one year
	----- (Rupees) -----			
<b>Financial liabilities</b>				
Payable to the Management Company	1,500,001	283,001	1,217,000	-
Payable to the Trustee	144,351	144,351	-	-
Accrued and other liabilities	460,927	211,521	249,406	-
	<u>2,105,279</u>	<u>638,873</u>	<u>1,466,406</u>	<u>-</u>

Above financial liabilities do not carry any mark-up.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

As per offering document, the Fund is allowed to withhold daily redemption request in excess of ten percent of the units in issue and such requests are to be treated as redemption request qualifying for being processed on the next business day. Such procedure is continued until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund may also suspend the redemption of the units if the redemption request exceeds 10% of unit in issue with prior approval of the trustees and notification to SECP.

**18.3 Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer

or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk (equity price risk).

**Management of market risk**

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

**Currency risk**

Currency risk is the risk that the fair value of 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.

**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 instrument and future cash flows. The Fund has no significant interest bearing assets so the Fund's income and operating cash flows are substantially independent of changes in market interest rates.

As at June 30, 2015, details of interest rate profile of the Fund's interest bearing financial instruments were as follows:

	<b>June 30, 2015</b>
	--- (Rupees) ---
Variable rate instruments	
Bank balances - saving accounts	<u><u>410,484</u></u>
Fixed rate instruments	
Presently, the Fund does not hold any fixed rate instruments.	<u><u>-</u></u>

The Management Company monitors the interest rates of investment portfolio on a regular basis and alters the portfolio mix of fixed rate securities to manage the profitability of the portfolio. The composition of the Fund's investment portfolio is expected to change over time.

**Cash flow sensitivity analysis for variable rate instruments**

Change of 100 basis points in interest rate at the period end would be increased / (decreased) the net assets and net income by Rs.0.004 million. However, the Fund invest in funds which expose to interest rate risk and which indirectly affect the interest rate risk of the Fund. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio and rates announced is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2015 is not necessarily indicative of the effect on Fund's net assets of future movements in interest rates.

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

June 30, 2015					
Effective rate of mark-up / return (%)	Exposed to yield / interest rate risk			Total	
	Less than three months	Upto three months	More than three months and upto one year		
----- (Rupees) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	6% - 7%	410,484	-	-	410,484
		<u>410,484</u>	<u>-</u>	<u>-</u>	<u>410,484</u>

None of the Fund's liability is subject to interest rate risk.

**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 factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. The Fund manages its exposure to price risk by investing in funds as per the trust deed.

**18.4 Unit Holders' Fund risk management**

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

- Monitor 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.

**18.5 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:

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets classified as 'at fair value through profit or loss' - held-for-trading</b>				
Mutual Fund units - open ended	-	<u>1,775,273,519</u>	-	<u>1,775,273,519</u>
	<u>-</u>	<u>1,775,273,519</u>	<u>-</u>	<u>1,775,273,519</u>

During the period 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.

#### 19. DATE OF AUTHORISATION FOR ISSUE

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

#### 20. GENERAL

**20.1** Being the first accounting period of the Fund, there are no corresponding figures to report.

**20.2** Figures are rounded off to the nearest rupee.

For Alfalah GHP Investment Management Limited  
(Management Company)

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

\_\_\_\_\_  
Director



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

**(i) UNIT HOLDING PATTERN OF THE FUND**

Category	As at 30 June 2015			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	248	10,211,821	1,059,052,910	60%
Insurance Company	2	1,307,346	135,517,566	8%
Associated Co./ Directors	1	1,886,033	195,503,403	11%
Retirement & Other Funds	17	2,382,951	247,013,188	14%
Others	7	1,198,247	124,208,561	7%
	<b>275</b>	<b>16,986,398</b>	<b>1,761,295,627</b>	<b>100%</b>

**(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 - AGCPF**

	30 June 2015 ---( Rupees in '000)---
Net Assets	<u>1,761,296</u>
NAV per unit	<u>103.6585</u>
Selling price per unit	<u>N/A</u>
Redemption price per unit	<u>N/A</u>
Highest selling price per unit	<u>N/A</u>
Highest redemption price per unit	<u>100.0000</u>
Lowest selling price per unit	<u>N/A</u>
Lowest redemption price per unit	<u>N/A</u>
Total interim distribution per unit	<u>6.3308</u>
Interim distribution date	<u>23-Jun-15</u>
	<u>26-Jun-15</u>
Final distribution per unit	<u>Nil</u>
Final distribution date	<u>N/A</u>
Annualized returns	<u>10.00%</u>
Income distribution	<u>7.82%</u>
Weighted avg. portfolio duration	<u>N/A</u>

Return since inception is **10%**








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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