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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Mr. Sarfaraz Ali shaikh- Mr. Abdul Aziz Anis- Mr. Shahid Hosain Kazi- Mr. Hani Theodor Karl- Mr. Shakil Sadiq- Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	<ul style="list-style-type: none">- Mr. Omer Bashir Mirza
Audit Committee:	<ul style="list-style-type: none">- Mr. Sarfaraz Ali shaikh- Mr. Shahid Hosain Kazi- Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal Karachi.
Fund Manager:	Mr. Ather H. Medina
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Rating:	4 Star by PACRA



MISSION STATEMENT

Alfalah GHP Alpha Fund aims to provide its unit holders with stock market linked returns over a period of time through investments in various value, growth and dividend paying stocks.

VISION STATEMENT

Alfalah GHP Alpha Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve stock market based returns over the medium to long term through exposure to a basket of value, growth and dividend paying stocks.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Alpha Fund (AGAF) is pleased to present its annual report on the affairs of AGAF along with the audited accounts, report of the trustee and auditors' report to the unit holders for the year ended 30 June 2011.

Financial Performance

Net assets under management as on June 30, 2011 were Rs.128.0 million. During the year units worth Rs. 6.63 million were issued and units worth Rs. 88.19 million were redeemed.

AGAF earned a total income of Rs. 34.85 million for the year ended 30 June 2011. Major sources of revenue were capital gains on sale of investments of Rs. 26.55 million, dividend income of Rs. 8.09 million and mark-up on bank deposits of Rs. 3.36 million. After accounting for expenses of Rs. 8.46 million, the net income from operating activities for the year stands at Rs. 26.40 million.

Income Distribution

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Alpha Fund (AGAF), in its meeting held on July, 07 2011 has declared Final distribution for the year ended June 30, 2011 in the form of bonus units to the unit holders of growth units and cash dividend to the unit holders of income units at the rate of Rs. 7.0 per unit, (i.e. 13.25% of the Ex-NAV of Rs. 52.83 at the beginning of the year).

As the above distribution is more than 90% of the realized income for the year, the income of the Fund will not be subject to tax under clause 99 of the part I of the 2nd schedule of the income tax ordinance 2001.

Economic Review

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

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

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

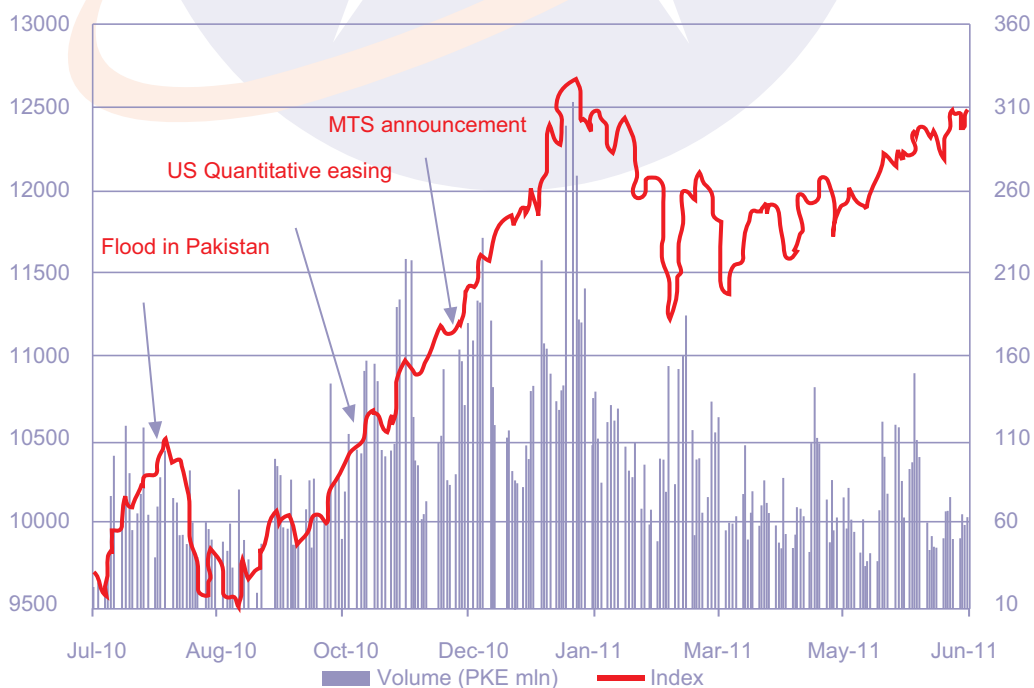
Pakistan remains reliant on foreign-pledged inflows to finance its persistently high budget deficit, 7.6% in FY08, 5.2% in FY09, and 6.3% of GDP in FY10. Meanwhile, inflation continues to remain in double digits for the fourth straight year.

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

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

Stock Market Review

The KSE-100 index during FY11 gained 28.5% or 2,775 points to reach 12,496 points on the back of strong foreign portfolio inflows. Due to cheaper valuations in the region, strong corporate earnings growth on the back of rising crude oil prices, and a sharp rise in foreign buying activity in September 2010, the KSE100 index surged by over 3,000 points to hit a two and half year high of 12,682 on January 17, 2011. Foreign portfolio inflows were triggered by the USA's Fed Reserve quantitative easing to curb high unemployment rate in the US economy. Moreover, the announcement of Margin Trading System (MTS) also served a positive trigger. Towards the end of February, however, KSE-100 corrected 11.5% on profit taking to hit a 2HFY11 low of 11,223 and subsequently, recovered to current level. Beyond February, KSE100 index has seen its volatility reduced. The average daily turnover declined 34% to 98 million shares in FY11 as compared to 149 million during FY10.



Asset Allocation

Funds asset allocation as at June 30, 2011 was as follows:

Equity	83.85%
Cash / Bank Deposit	13.13%
Others	3.02%
Total	<u>100.00%</u>

Future Outlook

Recent downside in the equity market has created further room for upside movement. We believe that attractive micro valuations in the Oil & Gas E&P, Fertilizer, and Banking sector, continued foreign portfolio inflows, GDP growth of 3-4%, and a healthy current account status will be the main drivers of the market upside in the next half-year. Earnings growth for the market is expected at 18-20% on the back of rising oil and fertilizer prices and declining non-performing loan charges. However, any adverse development on the European debt crisis, and widening fiscal deficit in the US could pose a significant risk to these expectations if foreign investors start exiting local markets, which in turn would hurt valuations and investor sentiments.

Statement of Compliance

- The financial statements prepared by the management present fairly its affairs and the results of its operations, cash flows and movement in unit holders' funds.
- The Fund has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, provisions of the Non Banking Financial Companies (Establishment and Regulation) Rules, 2003, Non Banking Finance Companies (NBFC) Regulations 2008, requirements of the Trust Deed and directives of Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Funds' ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Karachi Stock Exchange (KSE) Listing Regulations.
- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- Pattern of share holding of units is given in annexure of the annual report.
- Key financial data for the year ended June 30, 2011 is given in the annexure to the annual report.
- Profile of members of investment committee is given in the annexure to the annual report.

Attendance of Board Meetings

Statement showing attendance of Board meetings of the Management Company - Alfalah GHP Investment Management Limited is given in annexure of the annual report.

Appointment of External Auditors

As recommended by the Audit Committee, the Board of Directors of the Management Company has re-appointed M/s KPMG Taseer Hadi & Co. Chartered Accountants as the fund's Auditors for the year ending 30 June, 2012.

Acknowledgement

The Board is thankful to the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee, Central Depository Company of Pakistan Limited and the management of Karachi Stock Exchange (Guarantee) Limited for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

25 August, 2011
Karachi

For and on behalf of the Board

Abdul Aziz Anis
Chief Executive

REPORT OF THE FUND MANAGER

Investment objective

Alfalah GHP Alpha fund is an open end equity fund. The primary objective of the Fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

Objective accomplishment

The per unit Net Asset Value of AGAF appreciated by 17.69% in FY11. The fund maintained its policy of following a top down investment approach with its portfolio oriented towards long term capital appreciation. Consequently, the fund maintained its heaviest exposure in the Oil & Gas Sector, and the Fertilizer Sector on the back of strong international oil prices and fertilizer prices.

Benchmark relevant to the fund

The benchmark is KSE 100 Index.

Funds' performance with benchmark

FY'11 Return	Benchmark	Relative Performance
17.69%	28.53%	-10.84%

Investment strategy

FY11 saw a tremendous decline in the volume of activity in the equity market. The average daily turnover of the Karachi Stock Exchange, the largest stock market in the country, declined 41% in terms of volume from 161.27 million shares traded per day in FY10 to 94.94 million shares traded per day in FY11. In terms of value the decline was even sharper at 45% from PKR 6.99 billion per day in FY10, to PKR 3.81 billion per day in FY11.

The reduced level of activity in the market made it more susceptible to manipulation, as evidenced by the activity in Nestle Pakistan during the year. Nestle witnessed an appreciation of 228% in its share price during the year with an average daily turnover of only 1,060 shares. With a weightage of 8.2% in the KSE 100 Index, the 228% increase in Nestle share price was a significant driver of the 28% rise in the broader market, while the total value of trades in Nestle in FY11 was only PKR 608 million, i.e. 0.06% of the total market value traded of PKR 956.58 billion. A report by Topline Securities dated June 30, 2011 has determined that barring the share price appreciation in Nestle, the KSE 100 would have increased by 21% for the year.

Due to the absence of liquidity in Nestle, AGAF was not invested in the scrip, thus resulting in lagging performance versus the benchmark.

Asset allocation (As at June 30, 2011)

Equity	83.85%
Cash / Bank deposit	13.13%
Others	3.02%
Total	<u>100.00%</u>

Significant changes in the state of affairs of fund.

There were no significant changes in state of affairs of Funds for the period under review.

Fund's Performance
On Size

As on June 30, 11	As on June, 30, 10	% Change
128,000	184,119	-30.48%

On Price [^]

As on June 30, 11	As on June, 30, 10	% Change **
62.21	53.33	17.69%

[^] Return based on Adjusted Prices

****** Return calculated after incorporating distribution during the period

Disclosure on the Markets

The Fund mainly invests in the following markets:

- **Equity**

In this investment is made in shares and stocks listed on the local stock exchanges of the country. Investment is made in value, growth and high dividend paying stocks so as to optimize returns for investors over the medium to long term.

Markets and their Returns

- **Equity**

The KSE-100 index during FY11 gained 28.5% or 2,775 points to reach 12,496 points on the back of strong foreign portfolio inflows. Due to cheaper valuations in the region, strong corporate earnings growth on the back of rising crude oil prices, and a sharp rise in foreign buying activity in September 2011, the KSE100 index surged by over 3,000 points to hit a two and half year high of 12,682 on January 17th 2011. Foreign portfolio inflows were triggered by the USA's Fed Reserve quantitative easing to curb high unemployment rate in the economy. Moreover, the announcement of Margin Trading System (MTS) also served a positive trigger. Towards the end of February, however, KSE-100 corrected 13% on profit taking to hit a 2HFY11 low of 11,223 and subsequently, recovered to current level. Beyond February, KSE100 index has seen its volatility reduced. The average daily turnover declined 41% to 94.9 million shares in FY11 as compared to 161.2 million during FY10.

Performance Table

Key financial data is disclosed in annexure to the financial statements.

Risk Disclosure

Investors in the Fund must realize that all investment in mutual funds and securities are subject to market risks. Our target return / dividend payout cannot be guaranteed and it should be clearly understood that the portfolio of the Fund is subject to interest rates, money market and stock market fluctuations and other risks inherent in all such investments.

Disclaimer

Prices of the Units of the Fund and income from them may go up or down.

Under exceptional (extraordinary) circumstances, the Management Company may declare suspension of redemptions, invoke a queue system or announce winding-up. In such events the investor will probably have to wait for payment beyond the normal period and the redemption amount so determined may be lower than the price at the time the redemption request is lodged. Investors are advised to read the relevant clauses of the Fund's Trust Deed and Offering Document for more detailed information regarding this clause.

The Units of the Trust are not the bank deposits and are neither issued by, insured by, obligations of, nor otherwise supported by the SECP, any Government agency, the Management Company, the Trustee (except to the extent specifically stated in this document and the Trust Deed) or any of the shareholders of the Management Company or any of the Core Investors or any other bank or financial institutions.



CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

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CDC House, 99-B, Block 'B'
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Tel: (92-21) 111-111-500
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URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ALPHA FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

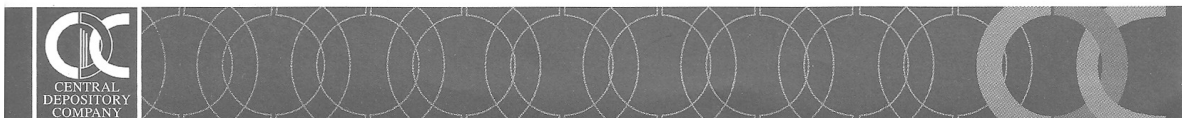
The Alfalah GHP Alpha Fund (the Fund), an open-end fund was established under a trust deed dated December 27, 2007, executed between Alfalah GHP Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

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

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


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

Karachi: September 30, 2011



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

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of Listing Regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present all directors except Chief Executive Officer of the Management Company are non executive directors two of which are independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred in the board on 19 February 2011, which is not filled to date.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been approved by the directors. The Company has the policy to provide the statement of Ethics and Business Practices to all the employees on their appointment.
6. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO has been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has yet to arrange an orientation course for its directors to apprise them of their duties and responsibilities. The directors are however conversant with the requirements of the Code and other regulations.
10. There was no new appointment of CFO and Company Secretary made during the year. Their remuneration and terms and conditions of employment were approved by the Board in the earlier year.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises of three non-executive directors of the management company as its members including chairman of the audit committee.
16. During the year, audit committee meetings were held for approval of accounts. The terms of reference of the audit committee have been framed and approved by the Board of the Management Company and advised to the committee for compliance.
17. The Management Company has outsourced its internal audit function to Ford Rhodes Sidat Hyder & Co., Chartered Accountants.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.
21. The related party transaction have been placed before the audit committee and approved by the Board of directors to comply with the requirements of listing regulations 35 of the Karachi Stock Exchange (Guarantee) Limited.

Chief Executive



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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Karachi, 75530 Pakistan

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Review Report to the Unit Holders of Alfalah GHP Alpha Fund (“the Fund”) on Statement of Compliance with Best Practices of Code of Corporate Governance

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

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board’s statement on internal control covers all controls and the effectiveness of such internal controls.

Further, sub-Regulation (xiii a) of Listing Regulation No. 35 notified by The Karachi Stock Exchange (Guarantee) Limited requires the Management Company to place before the board of directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm’s length transactions and transaction which are not executed at arm’s length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund’s compliance, in all material respects, with the best practices contained in the Code of Corporate Governance for the year ended 30 June 2011.

Date: 25 AUG 2011

Karachi

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.



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Independent Auditors' Report to the Unit Holders

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

Opinion

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



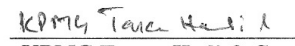
KPMG Taseer Hadi & Co.

Other matters

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

Date: 25 AUG 2011

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq



STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2011

	<i>Note</i>	30 June 2011	30 June 2010
		(Rupees in '000)	
Assets			
Bank balances	4	17,200	54,372
Investments	5	109,821	127,512
Dividend and profit receivable	6	593	1,058
Deposits and other receivables	7	2,700	2,700
Preliminary expenses and floatation costs	8	661	962
Total assets		130,975	186,604
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	278	283
Payable to Central Depository Company of Pakistan Limited - Trustee	10	58	59
Payable to Securities and Exchange Commission of Pakistan - Annual fee	11	148	92
Accrued expenses and other liabilities	12	2,490	2,051
Total liabilities		2,974	2,485
Contingencies and commitments	13	-	-
Net assets		128,001	184,119
Unit holders' funds (as per statement attached)		128,001	184,119
		(Number of units)	
Number of units in issue	15	2,057,613	3,452,158
		(Rupees)	
Net asset value per unit		62.21	53.33

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

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

Chief Executive

Director

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

		Year ended 30 June 2011	Six months ended 30 June 2010 *
Income	<i>Note</i>	(Rupees in '000)	
Capital gain on sale of investments		26,552	2,601
Dividend income		8,088	4,263
Profit on deposit accounts with banks		3,358	2,386
Unrealised (diminution) in the value of investments - 'at fair value through profit or loss'	5.2	<u>(3,147)</u>	<u>(4,943)</u>
Total income		34,851	4,307
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	9	3,892	2,321
Remuneration of Central Depository Company of Pakistan Limited - Trustee		700	347
Annual fee - Securities and Exchange Commission of Pakistan		148	92
Amortisation of preliminary expenses and floatation costs	8	301	149
Fees and subscriptions		357	79
Printing and publication charges		128	73
Brokerage		1,474	829
Bank and settlement charges		477	259
Workers' welfare fund	14	303	1,500
Auditors' remuneration	16	676	459
Total expenses		8,456	6,108
Net income / (loss) from operating activities		26,395	(1,801)
Net element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units repurchased		<u>(11,557)</u>	<u>3,032</u>
Net income for the year / period		<u>14,838</u>	<u>1,231</u>

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

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

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

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six months ended 30 June 2010*
	(Rupees in '000)	
Net income for the year / period	14,838	1,231
Other comprehensive income	-	-
Total comprehensive income for the year / period	<u>14,838</u>	<u>1,231</u>

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

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

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

Chief Executive

Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six months ended 30 June 2010*
	(Rupees in '000)	
Undistributed income / (loss) brought forward :		
- Realized	11,842	12,176
- Unrealized	(331)	604
	11,511	12,780
Net income for the year / period	14,838	1,231
Final distribution declared for the year ended 30 June 2010:		
- Cash distribution: Rs. 0.50 per unit dated 22 October 2010 (2009: Rs. 0.71 per unit)	(945)	(2,056)
- Issue of 5,033 bonus units (2009: 7,891 units)	(284)	(444)
	13,609	(1,269)
Undistributed income carried forward :		
- Realized	28,267	11,842
- Unrealized	(3,147)	(331)
	25,120	11,511

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

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

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

Chief Executive

Director

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

	Year ended 30 June 2011	Six months ended 30 June 2010*
	(Rupees in '000)	
Net assets at the beginning of the year / period	184,119	166,343
Issue of 108,046 units (2010: 1,006,381 units)	6,629	56,225
Redemption of 1,507,624 units (2010: 625,479 units)	(88,198)	(34,592)
	(81,569)	21,633
Net element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased	11,557	(3,032)
Final distribution declared for the year ended 30 June 2010: - Issue of 5,033 bonus units (2009: 7,891 units)	284	444
Capital gain on sale of investments	26,552	2,601
Net unrealised diminution in the value of investments - 'at fair value through profit or loss'	(3,147)	(4,943)
Other net (loss) / income for the year / period	(8,567)	3,573
Final distribution declared for the year ended 30 June 2010: - Cash distribution: Rs. 0.50 per unit dated 22 October 2010 (2009: Rs. 0.71 per unit)	(945)	(2,056)
- Issue of 5,033 bonus units (2009: 7,891 units)	(284)	(444)
Net income / (loss) for the year / period less distribution	13,609	(1,269)
Net assets at the end of the year / period	128,001	184,119
	(Rupees in '000)	
Net asset value per unit at the beginning of the year / period	53.33	54.16
Net asset value per unit at the end of the year / period	62.21	53.33

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

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

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

Chief Executive

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six months ended 30 June 2010*
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year / period	14,838	1,231
Adjustments for:		
Unrealised diminution in the value of investments - 'at fair value through profit or loss'	3,147	4,943
Workers' welfare fund	303	1,500
Amortisation of preliminary expenses and floatation costs	301	149
Net element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units repurchased	11,557	(3,032)
Dividend income	(8,088)	(4,263)
Profit on deposit accounts with banks	(3,358)	(2,386)
	18,700	(1,858)
Decrease / (increase) in assets		
Investments	14,543	(367)
Deposits and other receivables	-	46
	14,543	(321)
(Decrease) / increase in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	(5)	(224)
Payable to Central Depository Company of Pakistan Limited - Trustee	(1)	(3)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	56	(27)
Payable against purchase of investments	-	(16,260)
Accrued expenses and other liabilities	138	(186)
	189	(16,700)
Dividend received	8,285	3,984
Profit on deposit accounts received	3,625	2,214
	11,910	6,198
Net cash from / (used in) operating activities	45,343	(12,681)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on sale of units	6,629	56,225
Payment against redemption of units	(88,198)	(34,592)
Cash dividend paid	(945)	(2,056)
Net cash (used in) / from financing activities	(82,515)	19,577
Net (decrease) / increase in cash and cash equivalents during the year / period	(37,172)	6,896
Cash and cash equivalent at the beginning of the year / period	54,372	47,476
Cash and cash equivalent at the end of the year / period	17,200	54,372

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

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

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

Chief Executive

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Alpha Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, ("the Trustee"). The Trust Deed was executed on 27 December 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 ("NBFC Rules"), on 29 February 2008.

The Management Company of the Fund has been licensed by SECP to act as an Asset Management Company under NBFC Rules. The registered office of the Management Company is situated at 12th Floor, Tower A, Saima Trade Tower, I.I Chundrigar Road Karachi.

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

Alfalah GHP Alpha Fund (AGAF) is open-end Equity Fund. The primary investment objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Positive) to the Management Company in its rating report dated 22 February 2011 and 4 Star (short term) to the fund in its rating report dated 25 October 2010.

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

1.1 Change of accounting year

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

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements of the Fund as at and for the year ended 30 June 2011 have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, requirements of Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC rules and regulations). In case, the requirements differ, the provisions or directives of the Companies Ordinance, 1984, the requirements of the Trust Deed, NBFC Rules and NBFC Regulations, 2008 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention except that investments and derivative financial instruments have been included at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgment

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and under lying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgments in the next year are as follows:

- a) Classification and valuation of financial instruments (notes 3.1 and 5)
- b) Impairment (note 3.2)
- c) Provisions (note 3.7)
- d) Taxation (Note 3.11)

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

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

- IAS 24 Related Party Disclosures (revised 2009) – (effective for annual periods beginning on or after 1 January 2011). The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.
- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Fund's financial statements.
- Improvements to IFRSs 2010 – IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2011). These amendments add an explicit statement that qualitative disclosure should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments. In addition, the IASB amended and removed existing disclosure requirements.

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

Apart from above certain other standards, amendments to published standards and interpretations of accounting standards became effective for accounting periods beginning on or after 1 January 2011, however, they do not affect the Fund's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below:

3.1 Financial instruments

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

a) *Financial 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 a derivative.

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 originated by the enterprise*

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, receivable against continuous funding system (CFS) 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 amortized cost using the effective yield method.

Recognition

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is 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 instrument. Transaction costs on financial instrument 'at fair value through profit or loss' are expensed out immediately.

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value. Gains or losses arising, from changes in the fair value of the financial assets 'at fair value through profit or loss' are 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

The fair value of quoted equity securities is based on their price quoted on the Karachi Stock Exchange at the balance sheet date without any deduction for estimated future selling costs.

3.2 Impairment

Financial assets not carried 'at fair value through profit or loss' are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists an impairment loss is recognized 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 in Income Statement.

3.3 Derecognition

The Fund derecognizes 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 derecognized when the obligation specified in the contract is discharged, cancelled or expired.

3.4 Unit holders' fund

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

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management of the Fund 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 the investment facilitators, distributors and the Management Company.

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

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

An equalization 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 realized 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 unrealized gains / (losses) relating to available for sale investments held by the Fund is recorded in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders.

3.7 Provisions

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

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from 10 September 2008 as per Trust Deed of the Fund.

3.9 Net asset value per unit

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

3.10 Earning per unit

Earning per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.11 Taxation

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

3.12 Offsetting of financial instruments

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

3.13 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'fair value through profit and loss' are included in the Income Statement in the period in which they arise.
- 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 issued less those in units redeemed is included in the Income Statement on the date of issue and redemption of units.
- Dividend income is recognized when the right to receive the dividend is established.
- Profit on bank deposit is recognized on time proportionate basis taking into account effective yield.

3.14 Expenses

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

3.15 Cash and cash equivalents

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

3.16 Dividend distribution and appropriations

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

4. BANK BALANCES

	<i>Note</i>	30 June 2011	30 June 2010
		(Rupees in '000)	
Deposit accounts	<i>4.1</i>	<u>17,200</u>	<u>54,372</u>

4.1 These balances in saving deposit accounts bears mark-up rates ranging from 10.50 % to 11.50% per annum (2010: 10.50% to 11.50% per annum).

5. INVESTMENTS

'at fair value through profit or loss'

Investment in quoted equity securities - 'Held for trading'	<i>5.1</i>	<u>109,821</u>	<u>127,512</u>
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5.1 In quoted equity securities - 'Held for trading'

Name of the investee company	As at 01 Jul 2010	Purchases during the year	Bonus / rights issue	Sales during the year	As at 30 June 2011	Cost as at 30 June 2011	Market value as at 30 June 2011	Unrealized appreciation / (diminution) in the value of investments	Investment as a percentage of net Assets	Market value as a percentage of total Investments	Parvalue as percentage of issued share capital
	----- (Number of shares) -----				----- (Rupees in '000) -----						
Chemicals											
ICI Pakistan Limited	-	92,000	-	67,000	25,000	4,188	3,796	(391)	2.97	3.46	0.02
Dawood Hercules Chemicals Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
Engro Corporation Limited	75,000	336,766	10,000	364,266	57,500	10,486	9,387	(1,100)	7.33	8.55	0.01
Fauji Fertilizer Bin Qasim Limited	100,000	445,000	-	455,000	90,000	3,307	3,794	486	2.96	3.45	0.01
Fauji Fertilizer Company Limited	90,000	97,000	17,500	165,000	39,500	4,800	5,939	1,139	4.64	5.41	0.00
Lotte Pakistan PTA Limited	300,000	571,552	-	780,000	91,552	1,362	1,266	(96)	0.99	1.15	0.01
Fatima Fertilizer Company Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
						<u>24,143</u>	<u>24,182</u>	<u>39</u>			
Banks											
Allied Bank Limited	-	145,000	2,500	147,500	-	-	-	-	-	-	-
Faysal Bank Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
Askari Bank Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
United Bank Limited	125,000	270,000	-	320,000	75,000	4,856	4,643	(213)	3.63	4.23	0.01
National Bank of Pakistan	116,713	263,287	28,250	308,000	100,250	5,567	5,055	(513)	3.95	4.60	0.01
MCB Bank Limited	20,000	399,000	1,000	377,500	42,500	8,842	8,470	(372)	6.62	7.71	0.01
Habib Bank Limited	-	12,160	-	12,160	-	-	-	-	-	-	-
						<u>19,265</u>	<u>18,168</u>	<u>(1,097)</u>			
Insurance											
Adamjee Insurance Company Limited	-	90,000	-	55,000	35,000	2,788	2,275	(513)	1.78	2.07	0.03
						<u>2,788</u>	<u>2,275</u>	<u>(513)</u>			
Oil & Gas											
Mari Gas Company Limited	-	25,500	-	25,500	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	125,000	57,500	-	140,500	42,000	5,569	6,426	857	5.02	5.85	0.00
Pakistan Oilfields Limited	50,000	224,000	-	244,000	30,000	10,136	10,770	634	8.41	9.81	0.01
Pakistan Petroleum Limited	50,000	305,700	6,000	304,200	57,500	12,288	11,907	(381)	9.30	10.84	0.00
Pakistan State Oil Company Limited	70,000	285,010	-	320,630	34,380	9,720	9,096	(623)	7.11	8.28	0.02
National Refinery Limited	-	81,000	-	81,000	-	-	-	-	-	-	-
Attock Refinery Limited	-	95,000	-	95,000	-	-	-	-	-	-	-
Attock Petroleum Limited	10,000	97,700	-	107,700	-	-	-	-	-	-	-
						<u>37,712</u>	<u>38,199</u>	<u>486</u>			
Electricity											
Hub Power Company Limited	300,000	-	-	100,000	200,000	3,520	7,500	3,980	5.86	6.83	0.02
Nishat Power Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	100,000	-	50,000	50,000	849	686	(163)	0.54	0.62	0.01
Kot Addu Power Company Limited	101,200	50,000	-	151,200	-	-	-	-	-	-	-
						<u>4,369</u>	<u>8,186</u>	<u>3,817</u>			
Personal Goods											
Amtex Limited	100,000	-	-	100,000	-	-	-	-	-	-	0.00
Nishat (Chunian) Limited	-	125,000	-	100,000	25,000	718	557	(160)	0.44	0.51	0.02
Azgard Nine Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
Nishat Mills Limited	-	945,000	-	785,000	160,000	9,844	8,054	(1,789)	6.29	7.33	0.05
						<u>10,561</u>	<u>8,612</u>	<u>(1,950)</u>			
Fixed Line Communication											
Pakistan Telecommunication Company Limited	256,540	-	-	256,540	-	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>			
Construction and Materials											
D.G.Khan Cement Company Limited	25,000	745,000	-	615,000	155,000	3,523	3,563	40	2.78	3.24	0.04
Lucky Cement Limited	50,000	310,000	-	360,000	-	-	-	-	-	-	-
						<u>3,523</u>	<u>3,563</u>	<u>40</u>			
General Industries											
Thal Limited	-	65,690	-	-	65,690	7,735	6,637	(1,098)	5.19	6.04	0.11
						<u>7,735</u>	<u>6,637</u>	<u>(1,098)</u>			
Pharma and Biotech											
GlaxoSmithKline (Pakistan) Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>			
Total						<u>110,096</u>	<u>109,821</u>	<u>(275)</u>			

5.1.1 All shares have a face value of Rs. 10 each except for Thal Limited of Rs. 5 each.

5.2 Net unrealised appreciation fair value of investments classified as 'at fair value through profit or loss'

	30 June 2011	30 June 2010
	Note	
	(Rupees in '000)	
Fair value of investments	109,821	127,512
Cost of investments	(110,096)	(127,843)
Unrealised (diminution) in the value of investments	(275)	(331)
Net unrealised appreciation in the value of investments at the beginning of the year / period	331	(7,424)
Realized on disposal during the year / period	(3,203)	2,812
	(2,872)	(4,612)
Net unrealised diminution in the value of investments at the end of the year / period	(3,147)	(4,943)

5.3 Investments includes shares with market value of Rs. 6.56 million which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and MTM losses for settlement of the Fund's trades as allowed in Circular number 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

6. DIVIDEND AND PROFIT RECEIVABLE

	30 June 2011	30 June 2010
	Note	
	(Rupees in '000)	
Dividend receivable	351	549
Profit receivable on deposit accounts with banks	242	509
	593	1,058

7. DEPOSITS AND OTHER RECEIVABLES

Deposit with Central Depository Company of Pakistan Limited	200	200
Deposit with National Clearing Company of Pakistan Limited	2,500	2,500
	2,700	2,700

8. PRELIMINARY EXPENSES AND FLOATATION COSTS

Balance at the beginning of the year / period	<i>8.1</i>	962	1,111
Amortisation for the year / period		(301)	(149)
Balance at the end of the year / period		661	962

8.1 Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from 10 September 2008 as per Trust Deed of the Fund.

9. PAYABLE TO ALFALAH GHP INVESTMENT

Management fee	<i>9.1</i>	189	268
Performance fee	<i>9.2</i>	89	15
		278	283

- 9.1 Under the provisions of the NBFC Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of 1.75 % per annum for the current period.
- 9.2 In addition to management fee, the Management Company also charges performance fee on out-performance of the Fund over the hurdle rate as defined in clause 6.3 of the Offering Document. The Management Company has charged Rs. 1.158 million (2010: Rs. 0.627 million) against performance fee for the year.

		30 June 2011	30 June 2010
	<i>Note</i>	(Rupees in '000)	
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		57	58
Trustee fee		1	1
CDS charges	<i>10.1</i>	58	59

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to trustee according to the following tariff structure:

Average Net Asset Value	Tariff per annum
Up to Rs. 1,000 million	Rs 0.7 million or 2.0 % p.a of NAV whichever is higher.
On amount exceeding Rs. 1,000 million	Rs. 2 million plus 0.1% p.a of NAV exceeding Rs. 1,000 million

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - ANNUAL FEE

Under the provisions of the NBFC Regulations 2008, an open ended equity fund is required to pay an annual fee to the SECP, an amount equal to 0.095% of the average annual net assets of the Fund.

		30 June 2011	30 June 2010
	<i>Note</i>	(Rupees in '000)	
12. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		409	370
Provision against professional charges		60	50
Provision for Workers Welfare Fund		1,803	1,500
Other liabilities	<i>14</i>	219	131
		2,490	2,051

13. CONTINGENCIES AND COMMITMENT

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

14. PROVISION FOR WORKERS' WELFARE FUND

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. A petition has been filed with the Honourable High Court of Sindh by some of Collective Investment Schemes (CISs) through their Trustee on the ground that the CIS (mutual funds) are not establishments and as a result not liable to pay contribution to WWF.

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

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

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 1.803 million up to 30 June 2011.

15. CLASSES OF UNITS IN ISSUE

15.1 The Fund may issue following types of units:

Class	Note	Description
A (Restricted / Core units)	15.1.1	Units that shall be charged with no sales load.
A	15.1.2	Units that shall be charged with no sales load but are subject to back end load, if any.
B	15.1.3	Units that shall be issued with or without sales load.

- 15.1.1 These units were issued to core investors. Out of total investment at least fifty million rupees cannot be redeemed for a period of two years from the date of closure of initial public offer.
- 15.1.2 These units were offered and issued during the private placement and initial period of offer.
- 15.1.3 These units were offered and issued after the initial period of offer.

16. AUDITORS' REMUNERATION	30 June 2011	30 June 2010
	(Rupees in '000)	
Audit fee	275	250
Other certifications and services	387	170
Out of pocket expenses	14	39
	<u>676</u>	<u>459</u>

17. TAXATION

The income of the Fund is exempt from income tax under clause 99 of part I of the second schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed among the unit holders. The management company has distributed sufficient accounting income of the fund during and subsequent to the year end, refer note 21, in order to comply with the above stated clause and regulation. Accordingly, no tax provision has been made in these financial statements for the year ended 30 June 2011.

18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited, MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons.

The transactions with connected persons are in the normal course of business, at contractual rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules 2003, NBFC Regulations 2008 and the Trust Deed respectively.

Transactions and balances with connected persons / related parties other than those disclosed elsewhere are as follows :	30 June 2011	30 June 2010
	(Rupees in '000)	
Alfalah GHP Investment Management Limited - Management Company		
Balance at the beginning of the year / period	283	507
Remuneration for the period year / period	2,733	1,694
Performance fee	1,159	627
	<u>4,175</u>	<u>2,828</u>
Amount paid during the year / period	(3,897)	(2,545)
Balance at the end of the year / period	<u>278</u>	<u>283</u>

	30 June 2011	30 June 2010
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - Trustee		
Balance at the beginning of the year / period	59	62
Remuneration for the year / period	700	347
CDS charges for the year / period	24	17
Amount paid during the year / period	<u>(725)</u>	<u>(367)</u>
Balance at the end of the year / period	<u>58</u>	<u>59</u>
 Security deposit at year end	 <u>200</u>	 <u>200</u>
Bank Alfalah Limited		
Profit receivable	<u>242</u>	<u>509</u>
Balance at the end of the year / period	<u>17,193</u>	<u>54,365</u>
Profit on deposit accounts	<u>3,358</u>	<u>2,386</u>
	30 June 2011	30 June 2010
	(Units in '000) (Rupees in '000)	(Units in '000) (Rupees in '000)
Units sold to:		
Bank Alfalah Limited - Employees' Provident Fund	<u>-</u>	<u>-</u>
Alfalah GHP Investment Management Limited	<u>48</u>	<u>-</u>
- Staff Provident Fund	<u>3,000</u>	<u>-</u>
Units redeemed by:		
Alfalah GHP Investment Management Limited	<u>1,007</u>	<u>456</u>
- Management Company	<u>56,397</u>	<u>25,301</u>
Alfalah GHP Investment Management Limited	<u>48</u>	<u>-</u>
- Staff Provident Fund	<u>3,154</u>	<u>-</u>
	30 June 2011	30 June 2010
	(Units in '000)	
Units held by:		
Bank Alfalah Limited - Employees' Provident Fund	<u>1389</u>	<u>1389</u>
Bank Alfalah Limited - Employees' Gratuity Fund	<u>500</u>	<u>500</u>
Alfalah GHP Investment Management Limited - Management Company	<u>-</u>	<u>1007</u>
	(Rupees in '000)	
Cash dividend distributed:		
Bank Alfalah Limited - Employees' Provident Fund	<u>694</u>	<u>986</u>
Bank Alfalah Limited - Employees' Gratuity Fund	<u>250</u>	<u>355</u>
Alfalah GHP Investment Management Limited - Management Company	<u>-</u>	<u>715</u>

18. FINANCIAL RISK MANAGEMENT FRAMEWORK

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

18.1 Market risk

Market risk is the risk that changes in market prices, such as interest rate or equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within the investment parameters as defined in funds constitutive and investment policy documents, while optimizing the return. The Fund is categorized as Equity Scheme. The primary objective of the fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities. The Management Company manages risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: Interest rate risk, Currency risk and other price risk.

18.1.1 Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial instrument and future cash flows. The Fund does not have any financial assets or liabilities with floating interest rate that expose it to interest rate risk in respect of future cash flows. The fund does not have any financial instrument with fixed interest rates except fixed interest rate deposit accounts with certain banks amounting to Rs. 17.200 million (2010: Rs. 54.372 million). However since the Fund does not account for any fixed rate financial assets and liabilities at fair value through profit and loss or as available for sale financial instruments, any change in interest rates at the reporting date would not affect Income Statement and Net Assets of the Fund.

18.1.2 Currency risk

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

18.1.3 Other price risk

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

The Fund has exposure to equity price risk arising from the Fund Investments in equity Securities. The Fund manages its price risks arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments are concentrated in the following sectors:

At 30 June 2011, the fair value of equity securities exposed to price risk is disclosed in notes 5.1.

The following table illustrates the sensitivity of the Profit for the year and the unit holders' fund to an increase or decrease of 10% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Funds' equity securities at each Statement of Assets and Liabilities date, with all other variables held constant.

	30 June 2011	30 June 2010
	(Rupees in '000)	
Income statement	<u>10,982</u>	<u>12,751</u>
Unit holders' fund	<u>10,982</u>	<u>12,751</u>

18.2 Credit risk

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

Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent systematic measures taken therein.

The maximum exposure to credit risk before any credit enhancements at 30 June 2011 is the carrying amount of the financial assets as set out below:

	30 June 2011	30 June 2010
	(Rupees in '000)	
Financial assets		
Bank balances	17,200	54,372
Dividend and profit receivables	593	1,058
Deposits and other receivables	<u>2,700</u>	<u>2,700</u>
	<u>20,493</u>	<u>58,130</u>
Secured	-	-
Unsecured	<u>20,493</u>	<u>58,130</u>
	<u>20,493</u>	<u>58,130</u>

None of these assets are impaired nor past due not impaired.

All deposits with Banks and Central Depository Company of Pakistan Limited are highly rated and risk of default is considered minimal.

The analysis below summarizes the credit quality of the Company's bank balances as at 30 June 2011 and 30 June 2010:

Bank balances by rating category

AA	17,193	54,365
A-	<u>7</u>	<u>7</u>
	<u>17,200</u>	<u>54,372</u>

18.3 Liquidity risk

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

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

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

The table below analysis the Fund's financial liabilities in to relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	As at 30 June 2011			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months
Liabilities	----- (Rupees in '000) -----			
Payable to Alfalah GHP Investment Management Limited - Management Company	278	278	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	58	58	-	-
Accrued expenses and other liabilities	688	688	-	-
	<u>1,024</u>	<u>1,024</u>	<u>-</u>	<u>-</u>

	As at 30 June 2010			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months
Liabilities	----- (Rupees in '000) -----			
Payable to Alfalah GHP Investment Management Limited - Management Company	283	283	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	59	59	-	-
Accrued expenses and other liabilities	551	551	-	-
	<u>893</u>	<u>893</u>	<u>-</u>	<u>-</u>

18.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks

such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Fund's activities.

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

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

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

18.5 Capital Risk Management

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

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

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

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

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

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

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments on the Statement of Assets and Liabilities are carried at fair value. The Management Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund's accounting policy on fair value measurements of its investments is discussed in note 3.1 to these financial statements.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

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

	Level 1	Level 2 (Rupees in '000)	Level 3	Total
Financial assets at fair value through profit or loss				
Equity securities	<u>109,821</u>	<u>-</u>	<u>-</u>	<u>109,821</u>

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the fund as required under Schedule V of Non Banking Finance Companies and Notified Entities Regulations, 2008 has been disclosed in Annexure I to the financial statements.

21. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in its meeting held on 07 July 2011 has proposed a final distribution of Rs. 7.00 per unit (cash dividend for 'income units' and bonus units for growth units') for the year ended 30 June 2011 (2010: 0.5 per unit).

These financial statements do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending 30 June 2012.

22. DATE OF AUTHORIZATION FOR ISSUE

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

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

Chief Executive

Director

SUPPLEMENTARY NON-FINANCIAL INFORMATION
As required under sections 6(D), (F), (G), (H), (I) and (J) of the Fifth schedule of the
Non Banking Finance Companies and Notified Entities Regulation, 2008

		30 June 2011	30 June 2010	31 December 2009
		----- (Rupees in '000) -----		
1.1 PERFORMANCE TABLE		128,001	184,119	166,343
		(Rupees per unit)		
Net assets		128,001	184,119	166,343
Net asset value		62.21	53.33	54.16
Year end offer price		65.32	56.00	55.51
Highest offer price		71.21	60.55	73.60
Lowest offer price		55.70	54.81	49.78
Year end repurchase price		62.21	53.33	54.16
Highest repurchase price		67.82	59.08	71.80
Lowest repurchase price		53.04	52.47	48.57
Interim distribution	1st QTR	Nil	N/A	Rs. 12.09
	2nd QTR	Nil	N/A	Rs. 5.81
	3rd QTR	Nil	N/A	Rs. 9.68
Final distribution		Rs. 7.00	Rs. 0.5	Rs. 0.71
Total distribution		Rs. 7.00	Rs. 0.5	Rs. 28.29
		(Announcement date of distribution)		
Interim	1st QTR	N/A	N/A	02 May 2009
	2nd QTR	N/A	N/A	30 June 2009
	3rd QTR	N/A	N/A	03 October 2009
Final		07 July 2011	21 October 2010	12 March 2010
		(Percentage)		
Total return of the fund (Absolute)		17.69%	-0.28%	77.23%
Annual dividend distribution		13.25% Cash Income Units & Bonus Growth Units)	1.5% ^	57.00%
Capital growth		4.44%	-1.78%	20.28%
Average annual return				
Half year		N/A	-0.28%	N/A
First year		17.69%	51.30%	77.23%
Second year		27.71%	N/A	N/A
Third year		N/A	N/A	N/A
Return Since Inception		101.28%	72.44%	71.53%
		(Days)		
Weighted average portfolio duration		N/A	N/A	N/A
Launch Date		10 September 2008		
Portfolio Composition (See Fund Manager Report).				

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment- returns may go down, as well as up.

^ Bonus Units for "Growth Unit Holders and Cash Dividend for "Income Unit Holders"

* Return since inception i.e. September 09, 2008.

1.2 RATING

Credit rating of the management company is 'AM3'

Credit rating of the fund is
- short term 4 star

1.3 PATTERN OF UNIT HOLDING

As at 30 June 2011			
Category	Number of unit holder	Investment amount (Rupees in '000)	%
Individual	11	1,551	1.21%
Retirement Funds	3	124,960	97.62%
Others	1	1,490	1.16%
	15	128,001	100%

As at 30 June 2011			
Category	Number of unit holder	Investment amount (Rupees in '000)	%
Individual	7	3,244	1.76%
Bank / financial institutions	1	53,684	29.16%
Retirement Funds	4	125,922	68.39%
Others	1	1,268	0.69%
	13	184,119	100%

1.4 SIZE OF UNIT HOLDING

Size of Unit Holding	Number of Unit Holders	Total Units	Invested Amount (Rupees in '000)	%
1 - 1000	8	2,060	128	0.10%
1001 - 10000	3	22,874	1,423	1.11%
10001 - 100000	1	23,982	1,492	1.17%
100001 - 500000	2	619,807	38,557	30.12%
500001 - 1500000	1	1,388,889	86,401	67.50%
Total	15	2,057,613	128,001	100.00%

1.5 TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID
**30 June
2011**

AKD Securities (Private) Limited	8.04%
JS Global Capital (Private) Limited	7.70%
Next Capital (Private) Limited	6.62%
KASB Securities (Private) Limited	6.35%
Invisor Securities (Private) Limited	5.85%
Taurus Securities (Private) Limited	5.47%
DJM Securities (Private) Limited	5.38%
FDM Capital (Private) Limited	4.85%
IGI Finex (Private) Limited	4.49%
Elixir Securities (Private) Limited	4.35%

**30 June
2010**

Foundation Securities (Private) Ltd.	7.29%
IGI Finex Securities Ltd.	6.60%
Fortune Securities Limited	5.70%
Crosby Securities Pakistan (Private) Limited	5.42%
DJM Securities (Private) Limited	5.01%
Growth Securities (Pvt) Ltd.	4.77%
Live Securities (Private) Limited	4.55%
JS Global Capital Ltd.	4.50%
Invisor Securities (Pvt) Ltd.	4.05%
Taurus Securities Limited	3.85%

1.6 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

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

Mr. Ather Medina is the Fund Manager of Alfalah GHP Alpha Fund. Other funds being managed by Fund Manager are as follows:

Alfalah GHP Value Fund
Alfalah GHP Islamic Fund

1.7 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 36th, 37th, 38th, 39th, 40th , and 41st meeting held on 31 August 2010, 21 October 2010, 30 December 2010, 06 January 2011 25 February 2011, 22 April 2011 respectively.

Name of Director	Number of Meetings			
	Held	Attended	Leave granted	Meeting not attended
Mr. Abdul Aziz Anis	6	6	-	-
Mr. Shakil Sadiq	6	6	-	-
Mr. Shahid Hosain Kazi	6	6	-	-
Mr. Hani Theodor Karl	6	-	6	6
Mr. Sarfraz Ali Sheikh	6	-	6	6
Mr. Shahab Bin Shahid	6	-	6	6
Mr. Omar Mohammad Khan *	6	-	4	4

*Mr. Omar M. Khan has resigned in February-2011.