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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi..
Board of Directors of the Management Company:	<ul style="list-style-type: none">- Ms. Maheen Rahman- Syed Ali Sultan- Mr. David Burlison- Mr. Hanspeter Beier- Mr. Amin Dawood Saleh- Mr. Muhammad Asif Saad- Mr. Abid Naqvi
Head of Finance:	- Syed Hyder Raza Zaidi
Company Secretary:	- Moin Uddin
Audit Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. Abid Naqvi- Mr. Amin Dawood Saleh
HR Committee:	<ul style="list-style-type: none">- Syed Ali Sultan- Mr. David Burlison- Ms. Maheen Rahman
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi
Fund Manager:	Mr. Imran Altaf
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	3 -Star (short term) and 3-Star (long term) by PACRA

MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of Alfalah GHP Value Fund for the year ended June 30, 2014.

FY14 Economic Review & Outlook

Economic indicators during FY14 have shown improvement with GDP growing by 4.1%, fiscal deficit remaining within the budgeted target of 5.8% and Forex reserves clocking in at USD14bn compared to USD8bn at 1HFY14 end. The numbers indicate that the government has undertaken some economic reforms; however, the pace of reforms has been slower than required as highlighted by IMF in its latest quarterly report.

Privatization and Reform Underway

One key positive in the reform process has been a restart of the privatization program with secondary public offerings (SPO) of both UBL and PPL. It is expected that additional secondary offerings are in the pipeline with financial advisors for OGDC's international GDR issuance already appointed, while work has commenced for government shareholdings in HBL and ABL banks.

Budgetary Growth Targets

Going forward the government has set a GDP growth target of 5.1% for FY15 representing an incremental 1% growth over FY14 and a 7% GDP growth target for FY17. On the budgetary front, higher tax collection and medium term tax-GDP targets seem optimistic although somewhat concrete measures have been announced to broaden the tax net and focus on direct/indirect taxation methods seems progressive. It does appear that the government is attempting to tackle some key issues; however, actual results will depend on execution of reform process. Further, the continuity of policies is key factor in achieving long term goals of the government; however, the current political noise and resulting political uncertainty has the potential to negatively affect the outcome.

Balance of Payments and PKR

FY14 current account deficit (CAD) number stood at USD2.9bn as opposed to USD2.5bn witnessed in the corresponding period last year (CPLY). The main cause for this higher CAD is the shortfall in Coalition Support Fund (CSF) receipts. This has been offset in the overall balance of payment position due to improvement witnessed in both capital and financial account. Capital account during FY14 stood at US1.8bn versus USD0.3bn in the CPLY mainly due to USD1.5bn grant received from Saudi Arabia. Higher bilateral financing and launch of Euro bond has resulted in financial account head augmenting to USD5.2bn versus mere USD0.6bn in the CPLY. The bulk of repayments to IMF from the previous SBA loan has been made, and in FY15, receipts from current EFF loan will cover the projected repayments. The net impact of the balance of payments improvement has been a hefty appreciation in the PKR of 7% in 3QFY14, making it one of the best performing currencies in the world during CY14. Since then, the PKR has remained relatively stable between PKR 98.50 - 99.50.

Inflation and Interest rates

Cumulative CPI number for FY14 stood at 8.6% which is higher as compared to 7.4% witnessed in FY13. However, compared to previous five years average inflation (FY09-FY13) of 10.5%, FY14's inflation number reflect an overall lower rate of inflation than has been witnessed in the past.

For FY15, the government has set CPI target of 8.0%, which would be an uphill task given the subsidy reduction (electricity & gas tariff hike) and additional taxation measures enforced in the budget. We foresee subdued inflation during the first half of coming fiscal year on the basis of a higher base effect, and it is likely to jump in the later half due to a hike in energy tariffs, and higher direct/indirect taxes. We do not foresee lower interest rates from current levels. In the past, the regulator has always adopted a hawkish stance in the presence of a depreciating currency and high inflation. Since the currency seems to have stabilized and inflation may remain within Government's targeted range, the probability of a rate hike is likely to resurface only in the later half of upcoming fiscal year.

Equity Market:

The equity market maintained its upward drive in FY14 with the KSE-100 index giving a return of 41%. This follows the 52% return witnessed in FY13 bringing total absolute return over 24 months to 115%. The stock market in FY14 continued to re-rate on the back of positive economic news and continued foreign flows in the bourses amid doubling of Pakistan's weight in MSCI Frontier Market Index. Forex reserves rebounded after a multi-year low, post re-entry in IMF program, successful Euro bond offering, higher financial aid and resumption of multilateral funding. Resultantly the PKR witnessed strong appreciation at the end of 3QFY14 and stayed steady thereon. Decline in headline inflation along with improving macro-economic indicators resulted in consistent foreign portfolio investment.

Further interest in the market developed with the secondary offerings of UBL and PPL. UBL in particular was able to attract strong foreign interest. FY14 also saw KSE-All Share volumes augment by 7% YoY to average 216mn shares per day, while in contrast, the value traded increased by a higher 51% YoY to PKR8.7bn indicating a broad based rather than select stock/blue chip rally.

Should the privatization process continue at this pace we can expect to see continued participation in the stock market from both domestic and foreign investors. Additionally corporate earnings will continue to dictate the price level of the KSE100 Index.

Money Market:

Higher inflation numbers and rise in the discount rate from 9% to 10% during 1st half of the year under review pushed money market yields upwards. The government's rising need for liquidity resulted in higher than targeted borrowing from scheduled banks. Despite stable interest rates during rest of the year, financial institutions benefitted from high yields on government bonds due to hefty demand from the government. Participation in PIB auctions was exceptionally strong due to attractive rates across all tenors in particular the 2 to 3 year government bond.

The corporate bond market was also relatively active with new issues being floated in the market by corporates along with increased interest from participants. Demand for higher rated corporate bonds and sukuks especially those issued by financial institutions remained high.

The Islamic bond market witnessed considerable maturities which widened the gap between demand and supply and increased demand for Islamic instruments. Total Government Sukuk issuance was 49.54 bn in the Ijarah auction held in June'14.

The outlook for FY15 could be somewhat different. Lower inflation numbers during 1HFY15 may keep the current discount rate unchanged; however, this is likely to be challenged in the later half where higher expected inflation may prompt the State Bank to turn decidedly hawkish. This would make the challenge of economic growth revival tougher over FY15 although it may lend further stability to the currency. We expect secondary market yields to remain stable with an upward bias over 2HFY15.

Overall outlook

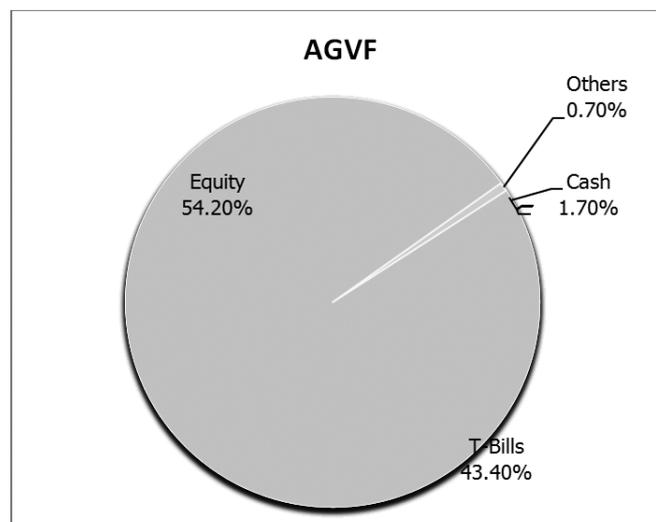
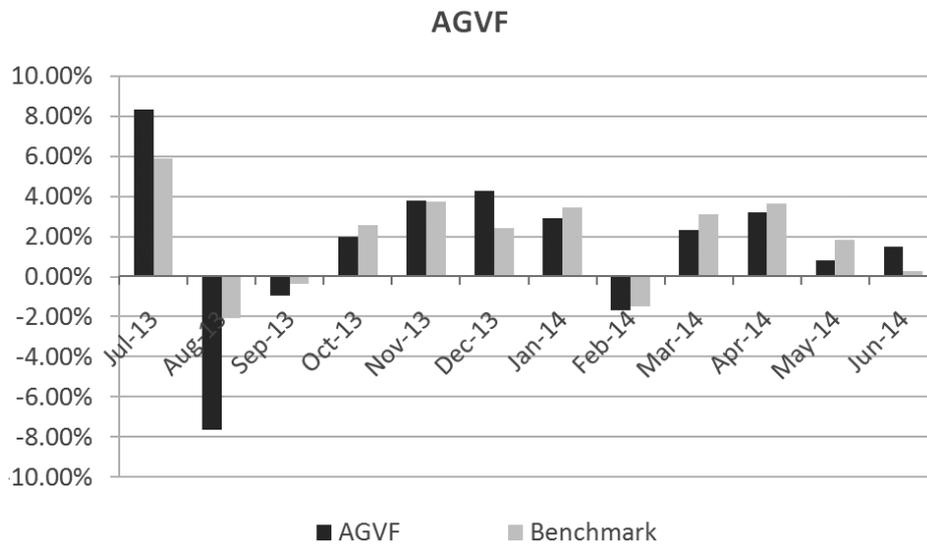
Political stability and a faster pace of economic reform will be key elements of the government's strategy to revive GDP growth over FY15. Significant issues remain unresolved and to a certain level unaddressed - in particular structural issues within the power sector, pace of tax collection and a general 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.

Alfalah GHP Value Fund: Fund Operations and Performance

For the year ended June 30, 2014, the fund posted a return of 19.52% (FY13: 30.09% p.a.). During the same period the benchmark return (50% KSE 100 Index + 50% 6M Kibor) was 25.50%. The fund completed the year with net assets of PKR 561 million (FY13: PKR 572 million).

During the first half of the year, the fund positioned itself actively within equities to beat the benchmark and generate a healthy investment alpha. However, heavy exposure in equities segment in August 2013 led to severe underperformance against the benchmark due to a market downturn. This however steadily narrowed over the rest of the year with the fund performance climbing to the 3rd position relative to peer group. This culminated in a strong close over June with strong outperformance to benchmark return.

PACRA has assigned "3-Star" long term ranking and "3-Star" short term ranking to the fund.



Payout

At the end of the year under review, the fund paid out dividend of Rs 9.9448 per unit translating into 18.1966 bonus units for every 100 units held. This is 97% payout of total earnings as per NBFC regulations.

Future Outlook

Going forward, the fund plans to continue to track the index albeit with some investment breadth to overweight or underweight stocks based on valuation and earnings outlook. The fund has a positive outlook on Banking Sector, Auto Sector and Electricity Sector; and will likely increase exposure to these sectors subject to stable economic and political climate. The fund shall allocate 60-75% of assets to equities in a typically stable equity environment with remaining assets placed in PIBs, T-Bills and Deposits.

Corporate Governance

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

- 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.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in 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 under management of Alfalah GHP Investment Management Limited's ability to continue as a going concern except for IGI Aggressive Income Fund for which appropriate disclosure is given in note # 1.2 to the Financial Statements of the Fund.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- The summary of key financial data is given in annexure (A) to the financial statements.
- 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
- The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2014 as given in note # 17.2
- Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2014 is given in note # 17.2;

Board of Directors

Name of Director	Designation	Meetings Held	Attended	Leave Granted
Syed Ali Sultan	Chairman	8	7	61ST
Mr. Amin Dawood Saleh	Director	8	8	-
Mr. Kashif Abdur Rahman	Director	4	3	55th BOD
Mr .David Burlison	Director	8	6	56th & 61st
Mr. Suleman Hudda	Director	4	-	54th,55th, 56th, 57th BOD
Mr. Hanspeter Beier	Director	8	4	54th, 56th, 60th, 61st BOD
Mr. Abdul Aziz Anis	Chief Executive Officer	2	2	-
Ms. Maheen Rahman	Chief Executive Officer	6	6	-
Mr. Abid Naqvi	Director	4	4	-
Mr. Asif Saad	Director	4	2	59th & 60th BOD

Change in Board Members during the period

Name	Designation	Appointed	Resigned
Ms. Maheen Rahman	Chief Executive Officer	Appointed	
Mr. Abid Naqvi	Director	Appointed	
Mr. Asif Saad	Director	Appointed	
Mr. Suleman Hudda	Director	-	Resigned
Mr. Kashif Abdur Rahman	Director	-	Resigned
Mr. Abdul Aziz Anis	Chief Executive Officer	-	Resigned

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

Audit Committee Meetings

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

Member	Meetings Held	Meetings Attended
Mr. Kashif Abdur Rahman	3	3
Mr. Abid Naqvi	3	3
Syed Ali Sultan	6	6
Mr. Amin Dawood Saleh	6	6

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

27 August 2014
Karachi

Maheen Rahman
Chief Executive

REPORT OF THE FUND MANAGER

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Value Fund (AGVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Review of the Market

The equity market maintained its upward drive in FY14 with the KSE-100 index giving a return of 41%. This follows the 52% return witnessed in FY13 bringing total absolute return over 24 months to 115%. The stock market in FY14 continued to re-rate on the back of positive economic news and continued foreign flows in the bourses amid doubling of Pakistan's weight in MSCI Frontier Market Index. Forex reserves rebounded after a multi-year low, post re-entry in IMF program, successful Euro bond offering, higher financial aid and resumption of multilateral funding. Resultantly, the PKR witnessed strong appreciation at the end of 3QFY14 and stayed steady thereon. Decline in headline inflation along with improving macroeconomic indicators resulted in consistent foreign portfolio investment.

Further interest in the market developed with the secondary offerings of UBL and PPL. UBL in particular was able to attract strong foreign interest. FY14 also saw KSE-All Share volumes augment by 7% YoY to average 216mn shares per day, while in contrast, the value traded increased by a higher 51% YoY to PKR8.7bn indicating a broad based rather than select stock/blue chip rally.

Should the privatization process continue at this pace we can expect to see continued participation in the stock market from both domestic and foreign investors. Additionally, corporate earnings will continue to dictate the price level at the equity bourse.

Fund Performance

For the year ended June 30, 2014, the fund posted a return of 19.52% (FY13: 30.09% p.a.). During the same period the benchmark return (50% KSE 100 Index + 50% 6M Kibor) clocked in at 25.50%. The fund completed the year with net assets of PKR 561 million (FY13: PKR 572 million).

During the first half of the year, the fund positioned itself actively within equities to beat the benchmark and generate a healthy investment alpha. However, heavy exposure in equities segment in August 2013 led to severe underperformance against the benchmark due to a market downturn. This however steadily narrowed over the rest of the year with the fund performance climbing to the 3rd position relative to peer group. This culminated in a strong close over June with strong outperformance to benchmark return.

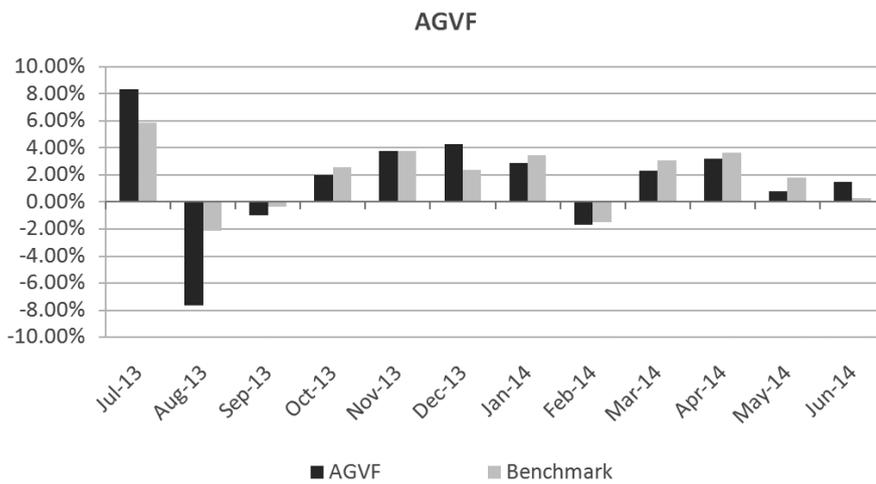
Going forward, the fund plans to continue to track the index albeit with some investment breadth to overweight or underweight stocks based on valuation and earnings outlook. The fund has a positive outlook on Banking Sector, Auto Sector and Electricity Sector; and will likely increase exposure to these sectors subject to stable economic and political climate. The fund shall allocate 60-75% of assets to equities in a typically stable equity environment with remaining assets placed in PIBs, T-Bills and Deposits.

The fund's credit rating was maintained at "3-STAR" by PACRA.

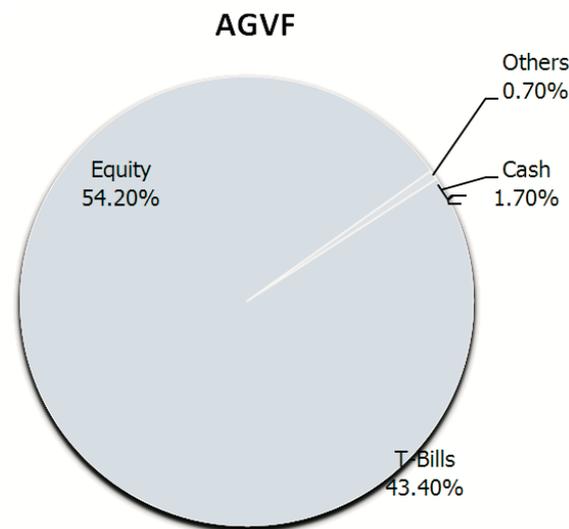
Benchmark

The Fund's benchmark is 50% KSE-100 index and 50% 6 month KIBOR (Karachi Interbank Offer Rate).

Performance comparison with Benchmark



Asset Allocation



Significant changes in Assets Allocation during the period

The fund maintained an optimal mix of equities and fixed income securities over the year to achieve a healthy return. Fixed income exposure was primarily built in treasury bills to stave off excessive risk. This exposure provided stability to the overall fund and offset the volatility from the equity portion. Excess cash during the year was deployed in Commercial Banks with good credit quality.

Distribution

At the end of the year under review, the fund paid out dividend of Rs 9.9448 per unit translating into 18.1966 bonus units for every 100 units held. This is 97% payout of total earnings as per NBFC regulations.

Significant changes in the state of the affairs

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

Breakdown of unit holdings by size

Holdings	No. of unit holder	Investment Amount
PkR 01 to 100,000	176	2,483,277
PkR 100,000 to 1,000,000	21	4,964,309
PkR 1,000,000 to 10,000,000	3	6,520,613
PkR 10,000,000 and above	7	546,809,076
Total	207	560,777,275

Unit Splits

There were no unit splits during the period.

Circumstances materially affecting the interest of unit holders

Any significant change in market rates of the instruments invested in and any significant change in the credit profile of the counterparties can materially affect the interest of unit holders.

Fund Manager

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

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

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 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.



Aftab Ahmed Diwan
Officiating Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: October 21, 2014



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2014

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 35 of the listing regulations of the Karachi Stock Exchange Limited ("the 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:

- The Management Company encourages representation of independent, executive and non-executive directors. At present, the Board includes:

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

The independent directors meets the criteria of independence under clause i (b) of the Code.

- The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Management Company.
- 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.
- During the year two casual vacancies occurred on the Board on 05 December 2013 which have been filled by the directors on 16 December 2013.
- The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board.
- 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 except for the 56th, 57th and 58th Board meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Three directors have obtained certification under the 'Board Development Series' program conducted by Institute of Corporate Governance.
10. The Board has approved appointment of CFO and Company Secretary, including their remuneration and terms and conditions of employment. However, CFO has resigned from its position on March 28, 2014.
11. The Directors' Report of the Fund for the year ended 30 June 2014 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO 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 Fund has 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. However during the period, the CFO was the secretary of the Audit Committee.
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. However, the appointment of the CEO, CFO, and Head of Internal Audit was not considered by the Human Resource and Remuneration Committee prior to approval by the Board.
18. The board has outsourced the internal audit function to 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 asset value of Fund, was not determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchange.
23. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

Karachi, _____

Maheen Rahman
Chief Executive Officer

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 Value Fund** (the Fund) for the year ended **30 June 2014** to comply with the said Code.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2014.

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
8	The notices alongwith the agendas of 56th, 57th and 58th Board of Directors' meeting were not circulated atleast seven days before such meetings.
15	The Chief Financial Officer acted as secretary to the Audit Committee in all its meetings conducted during the year.
17	The appointment of the Chief Executive Officer, Chief Financial Officer and Head of Internal Audit was not considered by the Human Resource and Remuneration Committee prior to approval by the Board of Directors.
21	The 'closed period' was not determined and intimated to directors, employees and stock exchange.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Alfalah GHP Value Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2014 and the related statements of income, comprehensive income, distribution, cash flows and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 2014 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Chartered Accountants

Audit Engagement Partner: Shabbir Yunus

August 27, 2014
Karachi

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2014

		30 June 2014	30 June 2013
	<i>Note</i>	----- (Rupees) -----	
Assets			
Bank balances	4	10,060,814	95,010,246
Investments	5	563,152,099	478,279,469
Dividend and profit receivable	6	916,001	213,147
Security deposits	7	2,600,000	2,600,000
Receivable against sale of investments		-	25,062,646
Total assets		576,728,914	601,165,508
Liabilities			
Payable to the Management Company	8	3,012,232	1,258,008
Payable to the Trustee	9	161,534	112,389
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	495,419	469,126
Provision for Workers' Welfare Fund	11	10,901,727	8,933,295
Accrued and other liabilities	12	1,380,727	2,090,345
Distribution payable		-	15,950,255
Total liabilities		15,951,639	28,813,418
Net assets attributable to unit holders		560,777,275	572,352,090
Unit holders' funds (as per statement attached)		560,777,275	572,352,090
Contingencies and Commitments	13	----- (Number of units) -----	
Number of units in issue		10,187,632	10,515,966
		----- (Rupees) -----	
Net asset value per unit		55.04	54.43

The annexed notes from 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 2014

	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	
Income			
Profit on deposit accounts with banks		9,328,716	7,160,220
Dividend income from equity securities		19,386,535	25,723,766
'At fair value through profit or loss - held-for-trading'			
- Net gain on sale of investments		37,331,097	78,984,637
- Unrealised appreciation in the value of investments	5.3	49,534,599	29,999,644
- Income from treasury bills		6,959,567	9,245,646
		93,825,263	118,229,927
Available-for-sale investments			
- Loss on sale of investments		-	(39,836,608)
- Impairment in value of investments		-	38,428,294
- Income from sukuk certificates		-	5,872,973
		-	4,464,659
Amortisation of discount on TFC / sukuk certificates / PIB		-	239,834
Total income		122,540,514	155,818,406
Expenses			
Remuneration of the Management Company		10,396,495	9,876,328
Sales tax on management fee		1,663,384	1,595,273
Federal excise duty on management fee	14	1,929,594	94,131
Remuneration of the Trustee		1,037,955	987,634
Annual fee - Securities and Exchange Commission of Pakistan		495,419	469,126
Bank and settlement charges		391,387	443,573
Auditors' remuneration	15	526,490	436,581
Brokerage expense, federal excise duty and capital value tax		4,066,144	7,275,014
Fees and subscriptions		129,970	140,001
Provision for Workers' Welfare Fund	11	1,968,432	2,881,009
Printing charges		246,701	176,000
Total expenses		22,851,971	24,374,670
Net income from operating activities		99,688,543	131,443,736
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net		(3,234,974)	9,725,330
Net income for the year before taxation		96,453,569	141,169,066
Taxation	16	-	-
Net income for the year after taxation		96,453,569	141,169,066

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

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

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	-----
Net income for the year before taxation		96,453,569	141,169,066
Other comprehensive income / (loss):			
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains / (losses)		-	(116,737)
Unrealised appreciation / (diminution) in fair value of investments classified as 'available-for-sale'		-	36,927,136
Surplus for the year		-	36,927,136
Recycled through income statement			
- on sale	5.6	-	(49,654,102)
- on impairment		-	11,226,134
		-	(38,427,968)
Other comprehensive loss for the year		-	(1,617,569)
Total comprehensive income for the year		<u>96,453,569</u>	<u>139,551,497</u>

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

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

Chief Executive

Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	30 June 2014	30 June 2013
	----- (Rupees) -----	
Undistributed income brought forward:		
Realised gains	16,181,575	15,380,066
Unrealised gains / (losses)	29,999,644	(10,599,239)
	46,181,219	4,780,827
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains / (losses)	-	(116,737)
Net income for the year before taxation	96,453,569	141,169,422
Interim distribution for the year:		
- Cash distribution of Rs.9.94 (2013: Rs.5.25 per unit)	(28,738,166)	(31,122,489)
- Issue of 1,123,829 bonus units (2013: 1,291,705 units)	(61,314,696)	(68,529,448)
	6,400,707	41,400,748
Undistributed income carried forward:		
Realised gains	3,047,327	16,181,575
Unrealised gains	49,534,599	29,999,644
	52,581,926	46,181,575

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

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

Chief Executive

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED 30 JUNE 2014

	30 June 2014	30 June 2013
	----- (Rupees) -----	
Net assets at the beginning of the year	572,352,090	431,929,324
Issue of 4,858,713 units (2013: 2,158,548 units)	302,597,187	125,055,652
Redemption of 6,310,876 units (2013: 1,439,793 units)	(385,122,379)	(83,453,218)
	(82,525,192)	41,602,434
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased:		
- amount representing accrued loss / (income) and realised capital losses / (gains) - transferred to the Income Statement	3,234,974	(9,725,330)
- amount representing unrealised capital (gains) - transferred directly to the Distribution Statement	-	116,737
	3,234,974	(9,608,593)
Interim bonus distribution for the period ended June 30, 2014: 1,123,829 units (2013: 1,291,705 units)	61,314,696	68,529,448
Net unrealised appreciation / (diminution) on revaluation of investments classified as 'available-for-sale'	-	(1,500,915)
Gain / (loss) on sale of investment	37,331,097	39,148,029
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	49,534,599	29,999,644
Other net income / (loss) for the year	9,587,873	72,021,393
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealized capital gains / (losses)	-	(116,737)
Interim distribution for the year:		
- Cash distribution of Rs. 9.94 per unit (2013: 2.25 per unit)	(28,738,166)	(31,122,489)
- Issue of 1,123,829 bonus units (2013: 1,291,705 units)	(61,314,696)	(68,529,448)
Net income for the year less distribution	6,400,707	41,400,392
Net assets at the end of the year	560,777,275	572,352,090
Net asset value per unit at the beginning of the year	54.43	50.78
Net asset value per unit at the end of the year	55.04	54.43

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

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

Chief Executive

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	30 June 2014	30 June 2013
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	96,453,569	141,169,066
Adjustments for:		
Unrealised appreciation in the value of investments		
-'at fair value through profit or loss'	(49,534,599)	(30,000,000)
Impairment in value of investments	-	(38,428,294)
Dividend income from equity securities	(19,386,535)	(25,723,766)
Profit on deposit accounts with banks	(9,328,716)	(7,160,220)
Income from term finance certificates	-	-
- Income from sukuk certificates	-	(5,872,973)
- Income from treasury bills	-	(346,881)
Amortisation of discount on TFC / sukuk certificates / PIB	-	(239,834)
Provision for Workers' Welfare Fund	1,968,432	2,881,009
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net	3,234,974	(9,725,330)
	23,407,125	26,552,777
Increase in assets		
Investments	(35,338,032)	(167,364,102)
Receivable against sale of investments	25,062,646	(25,062,646)
Advances, deposits and other receivables	-	-
	(10,275,386)	(192,426,748)
(Decrease) / increase in liabilities		
Payable against purchase of investments	-	(805,103)
Payable to the Management Company	1,754,225	417,193
Payable to the Trustee	49,145	35,212
Payable to Securities and Exchange Commission of Pakistan - annual fee	26,293	60,116
Accrued and other liabilities	(16,659,873)	16,963,025
	(14,830,210)	16,670,443
Dividend and profit received	28,012,398	41,203,025
Net cash flows generated from / (used in) operating activities	26,313,926	(108,000,503)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	302,597,187	125,055,358
Payment against redemption of units	(385,122,379)	(83,453,218)
Cash dividend paid	(28,738,166)	(31,122,489)
Net cash flows from / (used in) financing activities	(111,263,358)	10,479,651
Net decrease in cash and cash equivalents during the year	(84,949,432)	(97,520,852)
Cash and cash equivalents at beginning of the year	95,010,246	192,531,098
Cash and cash equivalents at end of the year	10,060,814	95,010,246

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

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

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value 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 May 19, 2005 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 May 13, 2005.

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

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

The Fund is categorized as an asset allocation scheme and can invest in equity, debt and money market securities as authorized in Fund Offering Document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3+' to the Management Company in its rating report dated June 20, 2014 and 3 -Star (short term) and 3-Star (long term) to the Fund in its rating report dated November 27, 2013.

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

2. BASIS OF 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 held at 'fair value through profit or loss' category are measured at fair value.

2.3 Functional and presentation currency

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

2.4 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 affect 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

- a) Classification and valuation of financial instruments (notes 3.2 and 5)
- b) Impairment (notes 3.3)
- c) Provisions (notes 3.8)
- d) Taxation (notes 3.11)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 New and amended standards and interpretations

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

IAS 19 – Employee Benefits – (Revised)

IFRS 7 – Financial Instruments: Disclosures – (Amendments)

– Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

Improvements to Accounting Standards Issued by the IASB

IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information

IAS 16 – Property, Plant and Equipment – Clarification of Servicing Equipment

IAS 32 – Financial Instruments: Presentation – Tax Effects of Distribution to Holders of Equity Instruments

IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

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

3.2 Financial instruments

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

a) Financial 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.

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

b) Available-for-sale

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

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as 'fair value through profit or loss' or 'available-for-sale'. This includes receivable against sale of investments and other receivables and are carried at 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 recognises 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 recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

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

Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a 'financial instrument not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial 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 recognised in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in Unit Holders' Fund until derecognised or impaired, then the accumulated fair value adjustments recognised in Unit Holders' Fund are included in the Income Statement.

Fair value measurement principles

Basis of valuation of Quoted Equity Securities

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.

Basis of valuation of Sukuk Certificates

- Investment in sukuk certificates have been valued on the basis of period end rates quoted by the Mutual Fund Association of Pakistan.
- Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the Securities Exchange Commission of Pakistan and the Fund's provisioning criteria. These are elaborated in note 3.2 to these financial statements.

3.3 Impairment

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

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

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

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

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.

The Fund records the net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and redeemed during an accounting year in the Income Statement while the portion of the element of income / (loss) and capital gains / (losses) that relates to unrealised gains / (losses) 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 year (whether gain or loss) is included in the amount available for distribution to the unit holders.

During the year, the management has revised the method of computation of the “Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed” (the Element) in the Fund. As per revised methodology, the Element is arrived at by comparing the unit prices with opening Ex-NAV at the beginning of the year. Previously, the Fund used to calculate the Element by comparing unit prices with the face value of the units.

The impact of change has been incorporated in the financial statements of the Fund with effect from July 01, 2013. However, the interim financial statements of the Fund for the half year ended December 31, 2013 and three months period ended March 31, 2014 did not include the effect of this change as the methodology to compute Element was changed during the last quarter of the financial year effective from the beginning of the current year.

The revised methodology would ensure that the continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. Since the element is an equalisation account between income for the period and undistributed income, the change did not have any impact on Net Asset Value (NAV) of the Fund. Had the methodology not been changed, the net income for the year ended June 30, 2014 would have been lower by Rs.1.579 million.

3.8 Provisions

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

3.9 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 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.

3.11 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 realized 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 recognised amounts and there is an intention to settle on a net basis, or realise 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.
- 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.
- Income on sukuk certificates, term deposits receipts, bank deposits and placements is recognized on a time proportionate basis using effective yield method.
- 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 recognised when the right to receive the dividend is established.

3.14 Expenses

All expenses including Management Fee and Trustee Fee are recognised in the Income Statement on an accrual basis.

3.15 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.

3.16 Dividend distribution and appropriations

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

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

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

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 – Fair Value Measurement	January 01, 2015

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IAS 16 & 38 – Clarification of Acceptable Method of Depreciation and Amortization	January 01, 2016
IAS 16 & 41 – Agriculture: Bearer Plants	January 01, 2016
IAS 19 - Employee Contributions	July 01, 2014
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
IAS 36 – Recoverable Amount for Non-Financial Assets – (Amendment)	January 01, 2014
IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting – (Amendment) (see note 3 below)	January 01, 2014
IFRIC 21 – Levies	January 01, 2014

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

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

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2017

4. BANK BALANCES	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	
Deposit accounts	4.1	<u>10,060,814</u>	<u>95,010,246</u>

4.1 This represents saving deposit accounts maintained with various banks carrying mark-up rate of 7% to 9.25% (June 30, 2013: 8% to 11%) per annum.

	Note	30 June 2014	30 June 2013
----- (Rupees) -----			
5. INVESTMENTS			
Financial assets classified as 'at fair value through profit or loss' - held-for-trading			
Equity securities - quoted	5.1	312,707,914	444,780,834
Treasury Bills	5.2	250,444,185	33,498,635
		563,152,099	478,279,469
Financial assets classified as 'available-for-sale'			
Term finance certificates	5.4	-	-
		563,152,099	478,279,469

5.1 Equity securities - quoted

Name of the investee company	As at July 01, 2013	Purchased during the year	Bonus / rights Issue during the year	Sold during the year	As at 30 June 2014	Cost as at 30 June 2014	Market value as at 30 June 2014	Market value as a percentage of:		Par value as percentage of issued share capital
								Net asset	Total investments	
----- Number of shares ----- ----- (Rupees) -----										
Chemicals										
Engro Corporation Pakistan Limited	405,000	598,600	-	857,700	145,900	26,891,999	26,044,609	4.64%	4.62%	0.03%
Engro Fertilizer Limited	-	15,390	-	-	15,390	889,542	879,539	0.16%	0.16%	0.00%
Fauji Fertilizer Company Limited	303,100	198,500	-	457,700	43,900	4,825,508	4,927,775	0.88%	0.88%	0.00%
ICI Pakistan Limited	-	43,200	-	43,200	-	-	-	-	-	-
Arif Habib Corporation Limited	999,500	1,157,500	-	2,157,000	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	1,205,000	-	1,205,000	-	-	-	-	-	0.00%
						32,607,049	31,851,923	5.68%		
Banks										
Bank Al-Falah Limited (a related party)	1,000,000	1,226,500	-	2,226,500	-	-	-	-	-	-
National Bank of Pakistan	341,570	1,046,000	-	1,387,570	-	-	-	-	-	-
Allied Bank Limited	-	178,000	-	-	178,000	17,327,475	24,458,980	4.36%	4.34%	0.02%
Habib Bank Limited	-	120,000	6,000	-	126,000	21,609,306	24,417,540	4.35%	4.34%	0.01%
MCB Bank Limited	-	60,000	-	60,000	-	-	-	-	-	-
United Bank Limited	-	111,437	-	-	111,437	16,605,501	18,783,821	3.35%	3.34%	0.01%
Askari Bank Limited	1,555,798	700,000	-	1,555,798	700,000	11,615,055	13,307,000	2.37%	2.36%	0.06%
Summit Bank Limited (formerly My Bank Limited)	1,402,609	-	-	1,402,609	-	-	-	-	-	-
						67,157,337	80,967,341	14.44%		
Non-life insurance										
Adamjee Insurance Company Limited	503,000	1,270,000	-	1,773,000	-	-	-	-	-	-
Construction and material										
D.G. Khan Cement Company Limited	299,208	1,050,500	-	1,349,708	-	-	-	-	-	-
Lucky Cement Limited	161,277	74,300	-	170,200	65,377	14,017,796	26,824,183	4.78%	4.76%	0.02%
Kohat Cement Company Limited	-	132,000	-	23,000	109,000	12,845,324	13,932,380	2.48%	2.47%	0.07%
Maple Leaf Cement Factory Limited	500,000	1,000,000	-	676,500	823,500	23,689,612	24,746,175	4.41%	4.39%	0.16%
Lafarge Pakistan Cement Limited	-	492,000	-	-	492,000	7,570,910	7,862,160	1.40%	1.40%	0.04%
						58,123,642	73,364,898	13.08%		

5.1 Equity securities - quoted

Name of the investee company	As at July 01, 2013	Purchased during the year	Bonus / rights Issue	Sold during the year	As at 30 June 2014	Cost as at 30 June 2014	Market value as at 30 June 2014	Market value as a percentage of:		Par value as percentage of issued share capital
								Net asset	Total investments	
----- Number of shares -----						----- (Rupees) -----				
Electricity										
The Hub Power Company Limited	290,840	385,000	-	490,840	185,000	10,921,550	10,866,900	1.94%	1.93%	0.02%
						<u>10,921,550</u>	<u>10,866,900</u>	<u>1.94%</u>		
Oil and gas										
Pakistan Petroleum Limited	118,237	150,500	31,647	196,700	103,684	19,296,415	23,260,469	4.15%	4.13%	0.01%
Pakistan State Oil Company Limited	152,160	89,600	6,456	241,760	6,456	1,565,550	2,510,416	0.45%	0.45%	0.00%
Oil & Gas Development Company Limited	118,436	183,200	-	209,600	92,036	21,031,171	24,047,166	4.29%	4.27%	0.00%
Pakistan Oilfields Limited	61,792	64,500	-	106,592	19,700	9,649,056	11,313,710	2.02%	2.01%	0.01%
						<u>51,542,192</u>	<u>61,131,761</u>	<u>10.90%</u>		
Automobile and parts										
Pak Suzuki Motor Company Limited	-	150,000	-	-	150,000	29,850,000	41,083,500	7.33%	7.30%	0.18%
						<u>29,850,000</u>	<u>41,083,500</u>	<u>7.33%</u>		
Fixed line telecommunication										
Pakistan Telecommunication Company Limited	500,000	3,457,500	-	3,957,500	-	-	-	-	-	-
Telecard Limited	1,000,000	-	-	1,000,000	-	-	-	-	-	-
Wateen Telecom Limited (a related party)	353,253	-	-	353,253	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>		
Household goods										
Tariq Glass Limited	-	2,360,500	-	2,360,500	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>		
Personal goods										
Azgard Nine Limited	501,500	-	-	501,500	-	-	-	-	-	-
Nishat Mills Limited	-	1,306,800	-	1,186,700	120,100	12,978,393	13,441,592	2.40%	2.39%	0.03%
Amtex Limited	1,065,391	-	-	1,065,391	-	-	-	-	-	-
						<u>12,978,393</u>	<u>13,441,592</u>	<u>2.40%</u>		
Total	<u>11,632,671</u>	<u>18,826,527</u>	<u>44,103</u>	<u>27,015,821</u>	<u>3,487,480</u>	<u>263,180,163</u>	<u>312,707,914</u>			

5.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

	30 June 2014	30 June 2013
	----- (Number of shares) -----	
Oil & Gas Development Company Limited	55,000	15,000
The Hub Power Company Limited	-	150,000
Pakistan Petroleum Limited	25,000	25,000
Pakistan Oil Field Limited	-	15,000
	<u>80,000</u>	<u>205,000</u>

5.2 Treasury Bills- 'at fair value through profit or loss' - held-for-trading

Issue date	Note	Face Value				Cost as at June 30, 2014	Market Value as at June 30, 2014	Market value as a percentage	
		As at July 01, 2013	Purchased during the year	Sold / matured during the year	As at 30 June 2014			net assets	total investments
----- Number of certificates -----						----- (Rupees) -----			
Treasury bills - having face value of Rs.100 each									
Maturity upto 3 months	5.2.1	34,000	8,906,000	6,390,000	2,550,000	250,437,337	250,444,185	44.66%	44.47%
Maturity upto 6 months		-	800,000	800,000	-	-	-	-	-
Maturity upto 12 months		-	-	-	-	-	-	-	-
Total		34,000	9,706,000	7,190,000	2,550,000	250,437,337	250,444,185		

5.2.1 These represent treasury bills having face value of Rs.255 million (June 30, 2013: Rs.67 million) and carrying purchase yield ranging from 9.96% to 9.98% (June 30, 2013: 9.37% to 9.41%) per annum. These treasury bills have maturity upto September 18, 2014 (June 30, 2013: August 22, 2013).

	30 June 2014	30 June 2013
	----- (Rupees) -----	
5.3 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'		
Market value of investments	563,152,099	478,279,469
Less: Cost of investments	(513,617,500)	(444,626,825)
	49,534,599	33,652,644
Net unrealised (appreciation) / diminution in the value of investment at the beginning of the year	33,652,644	8,894,000
Realised on disposal during the year	(33,652,644)	(12,547,000)
	-	(3,653,000)
Net unrealised appreciation in the value of investment for the year	49,534,599	29,999,644

5.4 Investment in term finance certificates - available-for-sale

Name of the investee company	Notes	Maturity	Mark-up / return	As at July 01, 2013	Purchase during the year	Sold during the year	Redemption during the year	As at 30 June 2014	Cost as at 30 June 2014	Market value as at 30 June 2014	Market value as a percentage of:		Outstanding principal value as a percentage of issued debt capital	
											Net asset	Total investments		
----- (Number of Certificates) -----									----- (Rupees) -----					
Unlisted Term Finance Certificates														
Agritech Limited (IV issue) (Formerly Pak American Fertilizer Limited)	5.5.1	January 2015	-	1,141	-	-	-	1,141	5,705,000	-	-	-	-	-
									5,705,000	-	-	-	-	-

5.4.1 This represents additional TFCs of Agritech Ltd. (Formerly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lender and Agritech Ltd. under such agreement Outstanding mark-up due on May 29, 2011 amounting to Rs.7.61 million was settled in the form of zero coupon TFCs valuing Rs.7.61 million. This investment has been recorded as 100% impaired since these securities have been received in lieu of suspended overdue mark-up to be recognized in income upon realization. During the year ended 2013, principal amounting Rs.1.90 million was sold, accordingly, provision amounting to Rs.1.90 million was reversed.

5.5 Non compliant investments

Name of non compliant investment	Notes	Type of investment	Value of Investment before provision	Provision balance as on July 01, 2014	Provision during the year	Provision held, if any	Value of investment after provision	Fair value as a percentage of:		Credit Rating
								Net asset	gross assets	
----- (Rupees) -----										
Agritech Limited - IV	5.5.1	Term finance certificates	5,705,000	(5,705,000)	-	(5,705,000)	-	-	-	D

5.5.1 At the time of purchase / investment, the TFCs and Sukuk were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in NBFC Regulations or NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with investment restrictions parameters laid down in NBFC Regulations or NBFC Rules and with the requirements of Constitutive Documents. Disclosure of the non-compliance is made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

	30 June 2014	30 June 2013
	----- (Rupees) -----	
5.6 Net unrealised appreciation / (diminution) in the value of investments classified as 'available-for-sale'		
Market value of investments	-	-
Less: Cost of investments	(5,705,000)	(5,705,000)
	(5,705,000)	(5,705,000)
Impairment charged during the year	-	11,226,134
Impairment realised on disposal of equity securities	-	(123,000)
Reversal of Impairment during the year	-	(49,654,102)
	(5,705,000)	(44,255,968)
Net unrealised diminution in the value of investments at the beginning of the year	5,705,000	42,755
Net unrealised (diminution) / appreciation in the value of investments at the end of the year	-	(44,213,213)

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

Opening Balance	-	50,277,000
Net movement during the year	-	(44,572,000)
Closing balance	-	5,705,000

	30 June 2014	30 June 2013
	----- (Rupees) -----	
6. DIVIDEND AND PROFIT RECEIVABLE		

Dividend receivable	207,081	207,263
Profit receivable on deposit accounts with banks	708,920	5,883
	916,001	213,147

7. SECURITY DEPOSITS

Security deposits with:		
- Central Depository Company of Pakistan Limited	100,000	100,000
- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	2,600,000	2,600,000

8. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable to the Management Company	8.1	837,600	990,654
Sales tax payable on management fee		148,945	173,222
Federal excise duty payable on management fee	14	2,023,725	94,131
Sales load payable		1,962	-
		3,012,232	1,258,008

8.1 Under the provisions of the NBFC Regulations 2008, the Management Company of the Fund is entitled to 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 remuneration at the rate of 2% (June 30, 2013: 2%) p.a. for the current period.

	<i>Note</i>	30 June 2014	30 June 2013
		----- (Rupees) -----	
9. PAYABLE TO THE TRUSTEE			
Trustee fee	<i>9.1</i>	161,534	98,871
CDS charges payable		-	13,518
		<u>161,534</u>	<u>112,389</u>

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

**Average net asset value
(Rupees in Million)**

From	To	Tariff per annum
1	1,000	Rs.0.7 million or 0.20% P.a. of NAV whichever is higher
>1,000	& above	Rs.2.0 million plus 0.10% P.a. of NAV exceeding Rs.1,000 million

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

Under the provisions of NBFC Regulations 2008, an open ended asset allocation scheme 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.

11. PROVISION FOR WORKERS' WELFARE FUND

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. However, as mentioned above, the constitutional petition challenging the applicability of WWF on mutual funds is still pending adjudication and not yet decided. The Management Company has considered the implications of the above judgment of SHC and is of the view that the matter will eventually be settled in its favor and WWF will not be levied on the Fund.

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'.

In view of the uncertainty on the applicability of WWF to mutual funds, the Management Company as a matter of prudence, has decided to continue to maintain the provision for WWF amounting to Rs.10.902 million (June 30, 2013: Rs.8.933 million) up to June 30, 2014. Had the provision not been made, the NAV per unit would have been higher by Rs.1.07 (1.94%) per unit (June 30, 2013: Rs.0.85 (1.56%) per unit).

	30 June 2014	30 June 2013
	----- (Rupees) -----	-----
12. ACCRUED AND OTHER LIABILITIES		
Legal and professional charges	16,246	16,246
Auditors' remuneration	463,284	389,999
Withholding tax payable	28,908	-
Brokerage payable	24,834	803,062
Redemption payable	105,600	58,186
Settlement charges	22,969	51,155
Other liabilities	718,886	771,697
	<u>1,380,727</u>	<u>2,090,345</u>

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2014.

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 its financial statements with effect from June 13, 2013.

	30 June 2014	30 June 2013
	----- (Rupees) -----	-----
15. AUDITORS' REMUNERATION		
Audit fee	302,500	250,000
Other certifications and services	205,700	175,000
	508,200	425,000
Sales tax	18,290	-
Out of pocket expenses	-	11,581
	<u>526,490</u>	<u>436,581</u>

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 amongst the unit holders. The Management Company has distributed 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 CONNECTED PERSONS / RELATED PARTIES

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

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

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

	30 June 2014	30 June 2013
	----- (Rupees) -----	
Alfalah GHP Investment Management Limited - Management Company		
Balance at beginning of the year	1,258,008	841,165
Remuneration of the Management Company	10,396,495	9,876,328
Federal excise duty on management fee	1,929,594	94,131
Sales tax on management fee	1,663,384	1,595,273
	13,989,473	11,565,732
Amount paid during the year	(12,235,249)	(11,148,889)
Balance at the end of the year	<u>3,012,232</u>	<u>1,258,008</u>
Central Depository Company of Pakistan Limited		
Balance at beginning of the year	112,389	77,472
Remuneration for the year	1,037,955	987,634
CDS charges for the year	90,643	110,510
	1,128,598	1,098,144
Amount paid during the year	(1,079,453)	(1,063,227)
Balance at the end of the year	<u>161,534</u>	<u>112,389</u>
Security deposit	<u>100,000</u>	<u>100,000</u>
Bank Alfalah Limited		
Profit on deposit accounts	8,118,442	4,011,395
Balance in deposit accounts	10,029,809	94,973,115
Bank charges	10,528	22,325
Mark-up receivable on bank deposits	708,920	5,884
IGI Income Fund - (Common Management)		
Treasury Bills - sold	<u>73,872,300</u>	<u>-</u>
Alfalah GHP Cash Fund - (Common Management)		
Treasury Bills - purchased	<u>34,971,265</u>	<u>-</u>

17.2 Unit Holder's Fund

	June 30, 2014									
	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 June 2014	As at July 01, 2013	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2014
	(Units)					(Rupees)				
Associated Companies / Undertakings										
Bank Alfalah Limited	2,889,739	-	-	-	2,889,739	157,288,496	-	-	-	159,065,397
GHP Arbitrium Holding Limited	1,179,455	-	-	1,179,455	-	64,197,751	-	-	72,737,007	-
Other Related Parties										
MAB Investment Inc.	2,211,207	-	402,368	-	2,613,576	120,356,011	-	21,990,235	-	143,864,008
Bank Alfalah Limited - Employees Provident Fund	885,143	-	161,067	-	1,046,210	48,178,333	-	8,802,659	-	57,588,549
Bank Alfalah Limited - Employees Gratuity Fund	919,714	-	167,358	-	1,087,072	50,060,015	-	9,146,461	-	59,837,763
Unit holder holding 10% or more Units										
Bank Alfalah Limited	2,889,739	-	-	-	2,889,739	157,288,496	-	-	-	159,065,397
MAB Investment Inc.	2,211,207	-	402,368	-	2,613,576	120,356,011	-	21,990,235	-	143,864,008
EFU General Insurance Limited	1,195,292	4,848,117	298,408	4,403,512	1,938,306	65,059,765	302,000,000	16,308,616	271,373,672	106,693,852
GHP Arbitrium Holding Limited	1,179,455	-	-	1,179,455	-	64,197,751	-	-	72,737,007	-
Bank Alfalah Limited - Employees Provident Fund	885,143	-	161,067	-	1,046,210	48,178,333	-	8,802,659	-	57,588,549
Bank Alfalah Limited - Employees Gratuity Fund	919,714	-	167,358	-	1,087,072	50,060,015	-	9,146,461	-	59,837,763

	June 30, 2013									
	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at 30 June 2013	As at July 01, 2012	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2013
	(Units)					(Rupees)				
Associated Companies / Undertakings										
Bank Alfalah Limited	2,889,739	-	-	-	2,889,739	146,740,949	-	-	-	157,288,496
GHP Arbitrium Holding Limited	971,654	-	207,801	-	1,179,455	49,340,608	-	11,011,804	-	64,197,751
Other Related Parties										
MAB Investment Inc.	1,821,628	-	389,579	-	2,211,207	92,502,288	-	20,644,599	-	120,356,011
Bank Alfalah Limited - Employees Provident Fund	729,195	-	155,948	-	885,143	37,028,529	-	8,264,002	-	48,178,333
Bank Alfalah Limited - Employees Gratuity Fund	757,675	-	162,039	-	919,714	38,474,738	-	8,586,766	-	50,060,015
Unit holder holding 10% or more Units										
Bank Alfalah Limited	2,889,739	-	-	-	2,889,739	146,740,949	-	-	-	157,288,496
MAB Investment Inc.	1,821,628	-	389,579	-	2,211,207	92,502,288	-	20,644,599	-	120,356,011
EFU General Insurance Limited	-	2,157,579	128,417	1,090,704	1,195,292	-	125,000,000	6,930,170	65,518,585	65,059,765
GHP Arbitrium Holding Limited	971,654	-	207,801	-	1,179,455	49,340,608	-	11,011,804	-	64,197,751

18. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is creation and protection of unit holder(s) value. Risk is inherent in Fund's activities therefore the Fund's risk management policies are established to manage risk on integrated basis to identify and 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's risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's 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 the Fund's constitutive and investment policy documents, while optimizing the return. The Fund is categorized as money market scheme the objective of the Fund is to provide a regular stream of income at a competitive rate of return while preserving capital to the extent possible by investing in assets with low risk and a high degree of liquidity from a portfolio constituted of money market securities and placements. 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 is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The majority of Fund interest rate risk exposure arises on Funds investment on debt securities (Sukuks). Cash and cash equivalents are not subject to fair value interest rate risks.

The Fund manages interest rate risk by keeping a major portion of funds into short terms investments in the rising interest rate environment. Interest rate risk in debt securities are mitigated by investing mostly in instrument carrying floating rate coupons which are linked to market interest rates, and are re-priced on quarterly / semi-annual basis.

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

	Effective rate of mark-up/return %	June 30, 2014				Total
		Exposed to yield / profit rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.00% to 9.25%	10,060,814	-	-	-	10,060,814
Investments		-	-	-	563,152,099	563,152,099
Dividend and profit receivable		-	-	-	916,001	916,001
Deposits, prepayments and other receivables		-	-	-	2,600,000	2,600,000
		-	-	-	566,668,100	576,728,914
Financial liabilities						
Payable to the Management Company		-	-	-	3,012,232	3,012,232
Payable to the Trustee		-	-	-	161,534	161,534
Accrued and other liabilities		-	-	-	1,380,727	1,380,727
Distribution payable		-	-	-	-	-
		-	-	-	4,554,493	4,554,493
On-balance sheet gap		-	-	-	562,113,607	572,174,421

		June 30, 2013				
		Exposed to yield / profit rate risk			Not exposed to yield / interest rate risk	Total
Effective rate of mark-up/return %	Upto three months	More than three months and upto one year	More than one year	(Rupees)		
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.00% to 11.00%	95,010,246	-	-	-	95,010,246
Investments	3-6 months KIBOR + 1.0 to 1.75	-	-	-	478,279,469	478,279,469
Dividend and profit receivable		-	-	-	213,147	213,147
Deposits, prepayments and other receivables		-	-	-	2,600,000	2,600,000
		95,010,246	-	-	481,092,616	576,102,862
Financial liabilities						
Payable to the Management Company		-	-	-	1,258,008	1,258,008
Payable to the Trustee		-	-	-	112,389	112,389
Accrued and other liabilities		-	-	-	2,090,345	2,090,345
Distribution payable		-	-	-	15,950,255	15,950,255
		-	-	-	19,410,997	19,410,997
On-balance sheet gap		95,010,246	-	-	461,681,619	556,691,865

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

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instruments as at June 30, 2014 which are classified as at fair value through profit or loss and available-for-sale exposing the Fund to fair value interest rate risk.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments as at June 30, 2014 which are classified as at fair value through profit or loss and available-for-sale exposing the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2014 is not necessarily indicative of future movements in interest rates.

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:

Sectors	30 June 2014 Sector	30 June 2013 Sector
	----- (%) -----	
Banks	25.89	15.50
Chemicals	10.19	29.07
Construction and materials	23.46	14.65
Electricity	3.48	1.48
Fixed line telecommunication	-	5.22
Automobile and parts	13.13	-
Non life insurance	-	9.54
Oil and gas	19.55	22.75
Personal goods	4.30	1.79
Total	<u>100.00</u>	<u>100.00</u>

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2014. The analysis is based on the assumption that KSE-100 index increase by 10% (June 30, 2013: 10%) and decreases by 10% (June 30, 2013: 10%), with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with index this represents managements' best estimate of a reasonable possible shift in the KSE-100 index, having regards to the historical volatility of index of past three years.

At June 30, 2014, the fair value of equity securities exposed to price risk was disclosed in notes 5.1.

	30 June 2014	30 June 2013
	----- (Rupees) -----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	<u>31,270,791</u>	44,478,083
Income statement	<u>31,270,791</u>	<u>44,478,083</u>

All other investments of the Fund are in Government Treasury Bills. The Fund expects minimal price fluctuation for these investments, other than those arising from interest rate and credit risk. The Fund is not subject to significant other price risk in these investments.

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 credit risk of the Fund principally arises from its investment in debt securities. The Fund is also exposed to counterparty, credit risk on cash and cash equivalents, deposits and other receivable balances.

Credit risk on 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.

Credit risk on debt securities is mitigated by investing primarily investment grade securities both listed and unlisted. The Fund's Cash and cash equivalents are held mainly with Bank Alfalah Limited, which is rated AA by PACRA (2013: AA by PACRA).

The Management Company follows Circulars 33 of 2012 containing criteria for provisioning of non-performing debt securities issued by SECP for the purpose of making provision against non-performing debt securities. Further, Management Company has devised provisioning policy duly approved by its Board of Directors for making provision over and above that required by the said circular against non performing assets.

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

Concentration of 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. The Fund's portfolio of financial instruments is broadly exposed to Government certificates and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

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

The Fund manager reviews credit concentration of debt securities held by counterparties and sectors.

	30 June 2014	30 June 2013
	----- (Rupees) -----	
Financial assets		
Bank balances	10,060,814	95,010,246
Dividend and profit receivables	916,001	213,147
Deposits, prepayments and other receivables	2,600,000	2,600,000
	<u>13,576,815</u>	<u>97,823,393</u>
Secured	-	-
Unsecured	<u>13,576,815</u>	<u>97,823</u>
	<u>13,576,815</u>	<u>97,823</u>
Not past due	13,576,815	97,823
Past due	-	-
	<u>13,576,815</u>	<u>97,823</u>

Impairment in above financial assets is disclosed in note 5.6.1.

As at the reporting date, the Fund's debt securities exposures were concentrated in the following industry.

Cement	-	-
	<u>-</u>	<u>-</u>

The analysis below summarizes the credit quality of the Fund's investment sukuk certificates as at June 30, 2014.

	June 30, 2014	June 30, 2013
	----- (%) -----	
Sukuk certificates by credit rating category		
Non rated / Non performing	<u>0.00%</u>	<u>100.00%</u>

The analysis below summarizes the credit quality of the Fund's bank balances as at June 30, 2014 and 2013.

Bank balances by category wise

AA	10,024,356	95,010,246
AA+	-	-
AA-	36,459	-
A	-	-
	<u>10,060,814</u>	<u>95,010,246</u>

18.3 Liquidity risk

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

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

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

The table below analyses the Fund's financial liabilities into 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.

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

	June 30, 2014			
	Carrying value	Upto one month	More than one month and upto three months	More than three month and upto one year
	----- (Rupees) -----			
On balance sheet financial liabilities and others				
Liabilities				
Payable to the Management Company	839,562	839,562	-	-
Payable to the Trustee	161,534	161,534	-	-
Accrued and other liabilities	1,351,819	153,403	1,198,416	-
Distribution payable	-	-	-	-
	<u>2,352,915</u>	<u>1,154,499</u>	<u>1,198,416</u>	<u>-</u>

	June 30, 2013			
	Carrying value	Upto one month	More than one month and upto three months	More than three month and upto one year
----- (Rupees) -----				
On balance sheet financial liabilities and others				
Liabilities				
Payable to the Management Company	990,654	990,654	-	-
Payable to the Trustee	112,389	112,389	-	-
Accrued and other liabilities	2,090,345	-	2,090,345	-
Distribution payable	15,950,255	-	15,950,255	-
	<u>19,143,643</u>	<u>1,370,397</u>	<u>18,040,600</u>	<u>-</u>

Units of the Fund are redeemable on demand at the holder's option. However, holders of these instruments typically retain them for the medium to long-term.

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 behaviour. 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 Unit Holders' Fund risk management

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund.

The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes

adjustments to it in the light of changes in markets conditions. The capital structure depends on the issuance and redemption of units.

Alfalah GHP Value Fund (AGVF) is an open-end collective investment scheme. The capital of the open end schemes is represented by the net assets attributable to unit holders.

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 whether realised or unrealised as reduced by such expenses as are chargeable to the Fund.

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 a daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as going concern.

The objective of Management Company when managing capital of the Fund is to maintain the Fund's ability to continue as a going concern in order to provide returns to unit holders on their investments.

In order to maintain or adjust the capital structure, the Fund's 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 fund size at the end of each quarter.

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

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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

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

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

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

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

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

	30 June 2014			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss' - held-for-trading				
Equity securities - quoted	312,707,914	-	-	312,707,914
Treasury Bills	-	250,444,185	-	250,444,185
	<u>312,707,914</u>	<u>250,444,185</u>	<u>-</u>	<u>563,152,099</u>

	30 June 2013			Total
	Level 1	Level 2	Level 3	
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss' - held-for-trading				
Equity securities - quoted	444,780,834	-	-	444,780,834
Treasury Bills	-	33,498,635	-	33,498,635
	<u>444,780,834</u>	<u>33,498,635</u>	<u>-</u>	<u>478,279,469</u>

During the year ended June 30, 2014, 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.

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 and meetings of the Board of Directors, as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

21. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on August 27, 2014.

22. GENERAL

Figures are rounded off to the nearest rupee.

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

Chief Executive

Director

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

1.2 PATTERN OF UNIT HOLDING

Category	30 June 2014			
	Number of unit holders	Units held	(Rupees)	Percentage of total investment (%)
Individual	196	183,295	10,089,424	2%
Associated companies and Directors	3	5,023,021	276,491,936	49%
Insurance Companies	1	1,938,306	106,693,791	19%
Banks / Financial institutions	-	-	-	0%
Retirement funds	1	45,410	2,499,577	0%
Others	6	2,997,601	165,002,547	29%
	207	10,187,632	560,777,275	100%

Category	30 June 2013			
	Number of unit holders	Units held	(Rupees)	Percentage of total investment (%)
Individual	207	161,494	8,789,628.32	2%
Associated companies and Directors	2	4,069,194	221,473,880.26	39%
Insurance Companies	-	-	-	0%
Banks / Financial institutions	-	-	-	0%
Retirement funds	4	1,919,983	104,498,847.94	18%
Public Limited Companies	-	-	-	0%
Others	8	4,365,295	237,589,733.08	42%
	221	10,515,966	572,352,090	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2014
Foundation Securities Limited	11%
Invest & Finance Securities Limited	9%
Habib Metropolitan Financial Services Limited	7%
Shajar Capital Pakistan Limited	6%
Taurus Securities Limited	6%
Ismail Iqbal Securities Limited	5%
Optimus Capital Management (Private) Limited	5%
Topline Securities Limited	5%
Fortune Securities	5%
KASB Securities	5%

30 June
2013

Taurus Securities Limited	10%
Arif Habib Limited	7%
DJM Securities (Private) Limited	7%
Invest & Finance Securities	6%
MRA Securities (Private) Limited	6%
Cedar Capital (Private) Limited	5%
Topline Securities Limited	5%
KASB Securities	5%
Optimus Capital Management (Private) Limited	4%
FDM Capital Securities	4%

(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

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.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st Board Meetings were held on 12 Aug 2013, 08 Oct 2013, 04 Dec 2013, 27 Feb 2014, 02 Apr 2014, 24 Apr 2014 and 30 June 2014 respectively.

Name of Director	Number of Meetings			
	Held	Attended	Leave granted	Meeting not attended
Syed Ali Sultan	8	7	1	1
Mr. Amin Dawood Saleh	8	8	0	0
Mr. Kashif Abdur Rahman	4	3	1	1
Mr .David Burlison	8	6	2	2
Mr. Suleman Hudda	4	0	4	4
Mr. Hanspeter Beier	8	4	4	4
Mr. Abdul Aziz Anis	2	2	0	0
Ms. Maheen Rahman	6	6	0	0
Mr. Abid Naqvi	4	4	0	0
Mr. Asif Saad	4	2	2	2

PERFORMANCE TABLE AGVF

	30 June 2014	30 June 2013	30 June 2012	30 June 2011	30 June 2010
	----- (Rupees in '000) -----				
Net Assets	<u>560,777</u>	<u>572,352</u>	<u>431,929</u>	<u>437,397</u>	<u>459,867</u>
NAV per unit	<u>55.0400</u>	<u>54.4300</u>	<u>50.7800</u>	<u>52.8700</u>	<u>50.7500</u>
Selling price per unit	<u>58.7500</u>	<u>57.1500</u>	<u>53.3200</u>	<u>55.5200</u>	<u>53.2900</u>
Redemption price per unit	<u>55.0400</u>	<u>54.4300</u>	<u>50.7800</u>	<u>52.8700</u>	<u>50.7500</u>
Highest selling price per unit	<u>68.0700</u>	<u>66.4600</u>	<u>58.3800</u>	<u>57.6600</u>	<u>66.8300</u>
Highest redemption price per unit	<u>64.8300</u>	<u>63.3000</u>	<u>55.6000</u>	<u>54.9200</u>	<u>65.2000</u>
Lowest selling price per unit	<u>55.7200</u>	<u>52.4500</u>	<u>48.9800</u>	<u>52.2700</u>	<u>53.0900</u>
Lowest redemption price per unit	<u>53.0700</u>	<u>49.9500</u>	<u>46.6500</u>	<u>49.7800</u>	<u>50.7500</u>
Total interim distribution per unit	<u>9.94</u>	<u>10.77</u>	<u>2.75</u>	<u>2</u>	<u>Nil</u>
Interim distribution date	<u>30-Jun-14</u>	<u>27-Dec-12</u>	<u>27-Jun-12</u>	<u>30-Dec-10</u>	<u>N/A</u>
	<u>N/A</u>	<u>27-Jun-13</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Final distribution per unit	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>2.25</u>	<u>Nil</u>
Final distribution date	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>7-Jul-11</u>	<u>N/A</u>
Annualized returns	<u>19.52%</u>	<u>30.09%</u>	<u>5.77%</u>	<u>8.14%</u>	<u>-63.00%</u>
Income distribution	<u>18.26%</u>	<u>21.21%</u>	<u>5.43%</u>	<u>8.37%</u>	<u>26.00%</u>
Weighted avg. portfolio duration	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Return since inception is **115.31%**

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