

ALFALAH

Investments

ANNUAL REPORT

**JUNE 30,
2019**

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MISSION STATEMENT

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

VISION STATEMENT

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

DIRECTORS' REPORT TO THE UNIT HOLDERS FOR THE YEAR ENDED JUNE 30, 2019

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), Alfalah GHP Cash Fund (AGCF), Alfalah GHP Islamic Stock Fund (AGISTF), Alfalah GHP Alpha Fund (AGAF), Alfalah GHP Value Fund (AGVF), Alfalah GHP Sovereign Fund (AGSOF), Alfalah GHP Income Fund (AGIF), Alfalah GHP Stock Fund (AGSTF), Alfalah GHP Money Market Fund (AGMMF), Alfalah GHP Islamic Income Fund (AGIIF), Alfalah GHP Prosperity Planning Fund (AGPPF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF), Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF), Alfalah GHP Islamic Value Fund (AGIVF), Alfalah Capital Preservation Fund II (AGCPF II), for the year ended June 30, 2019.

Economy Overview

Pakistan's domestic/regional politics and a weak macroeconomic landscape dominated over FY19. A new political government and increasing regional tensions proved to be a difficult backdrop for economic decision makers. Frequent changes in key government positions also delayed Pakistan's inclusion in an IMF program to July 2019.

GDP growth of the country slowed down to 3.3% in FY19 from 5.5% in the same period last year. Steep devaluation in the PKR by 32% contributed to a sharp increase in interest rates to 12.75% or an increase in 650bps over the year.

Both these changes helped stabilize the external account position as the current account deficit as a percentage of GDP stood at 4.8% compared to 6.3% in FY18 as the weak PKR reduced imports and boosted overall export competitiveness.

However, the tightened monetary conditions slowed down manufacturing considerably as large scale manufacturing (LSM) depicted a contraction of 3.6% YoY during FY19, which was mostly led by contraction in consumer and related industries such as automobiles, steel and cement. This coupled with mediocre services and agricultural growth led to the overall dip in real GDP growth for FY19 to 3.3%.

Towards the end of FY19, Pakistan officially signed a 39-month Extended Fund Facility (EFF) facility of USD 6bn from IMF setting tough targets to address structural imbalances in the economy. Focus on enhancing exports, tax inclusion and addressing weak public sector enterprises all featured as key points in the IMF program.

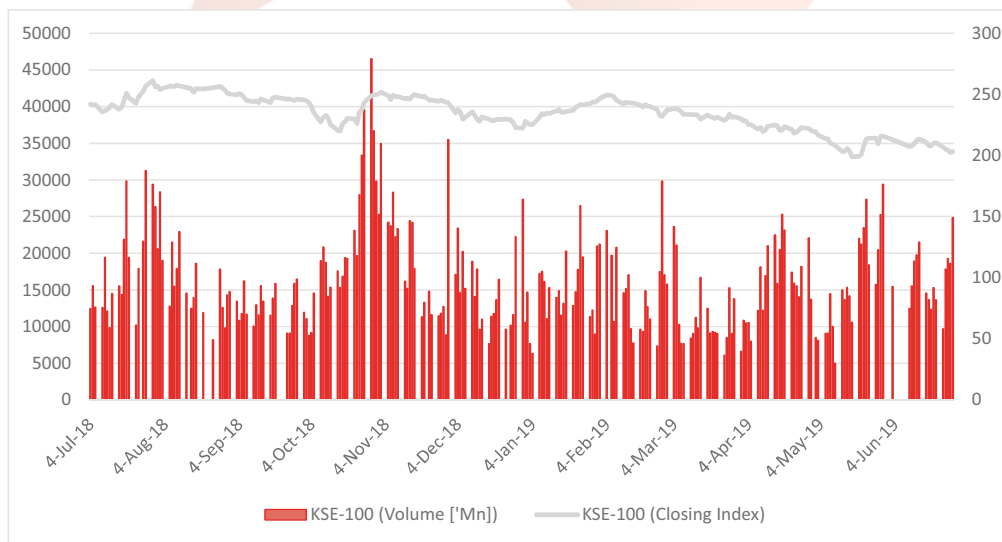
Pertinently, on the fiscal side, additional tax revenues of up to 5% of GDP have been targeted via setting a floor on FY20 tax collection thus necessitating strong fiscal adjustments. Further, plans for privatization or restructuring of public sector companies including those affected in the energy sector by circular debt, were also initiated over the year. The program underscores the need for continued adoption of a 'flexible market determined exchange rate' with limited intervention from the central bank. With expected yearly inflation average of 10-11% for FY20, the flexible exchange rate regime will be complemented by tighter monetary policy conditions thereby maintaining positive real interest rates.

Equity Market Review

The KSE-100 index closed FY19 with a negative return for the second consecutive year with a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%.

The stock market has mirrored the economic landscape and sentiment in the country. Further, rising interest rates provided a safe haven for investors in government papers as the preferred asset class.

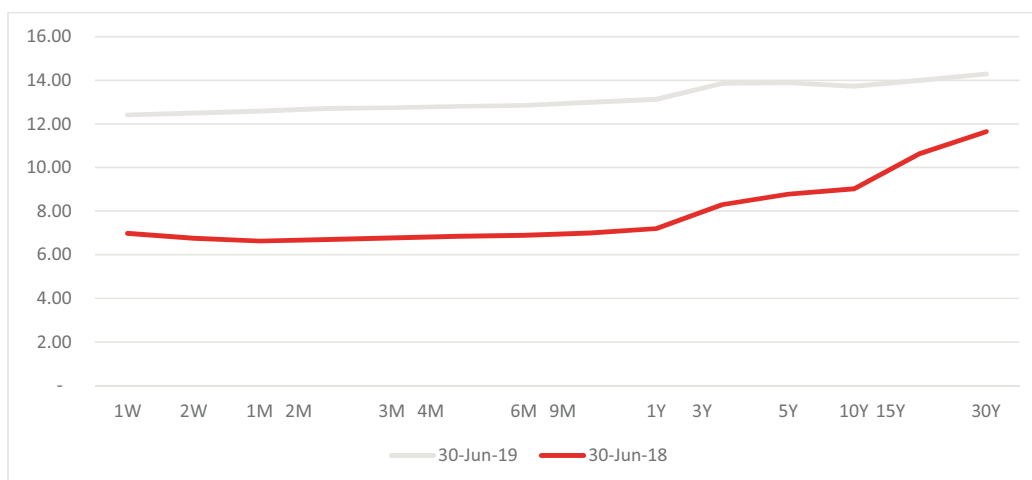
Going forward, Index performance will depend on stabilization of the economy post the IMF program and an overall topping out of interest rates should mark the bottom in the medium term. Long term, valuations, earnings growth and a resumption in upward economic activity would be key drivers of Index performance.



Money Market

The yield curve shifted upwards during the fiscal year due to continued monetary tightening. As a result the majority of bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. A steep yield curve for most the year kept investors focused on the short end via treasury bills predominantly in the three month tenor.

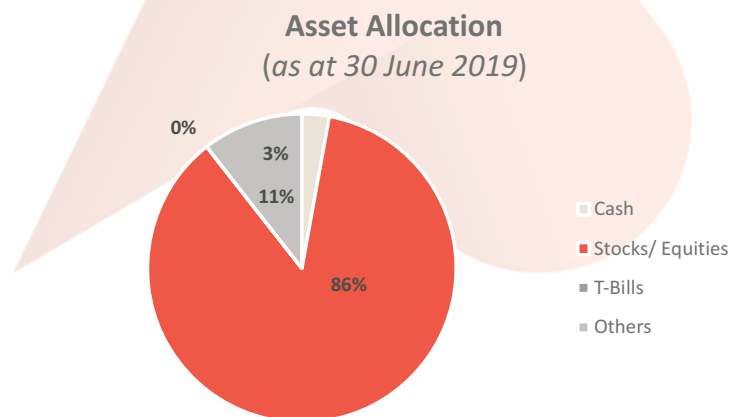
Towards the end of the fiscal, a peak out of rates attracted interest in longer tenor government bonds. Going forward, it appears that the bulk of the tightening is complete with marginal adjustments expected over FY20.



Fund Operations and Performance

Alfalah GHP Alpha Fund

During FY19, AGAF outperformed the benchmark with a return of -17.48% versus the benchmark (KSE-100) return of -19.11% during the same period.



Key Financial Data

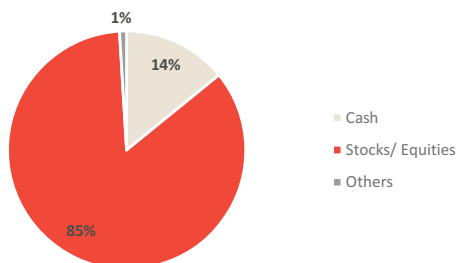
(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	1,532.11	1,821.60
Gross (loss) / income	-242.65	-234.71
Total Comprehensive Loss	-293.82	-296.39
Net Assets Value per Unit (PKR)	55.42	72.52
Issuance of units during the period	659.16	960.07
Redemption of units during the period	-1,088.71	-265.03

Alfalsh GHP Islamic Stock Fund

In FY19, AGISTF outperformed the benchmark with a return of -18.81% while its benchmark the KMI 30 earned a return of -23.84% during the same period.

Asset Allocation
(as at 30 June 2019)



Key Financial Data

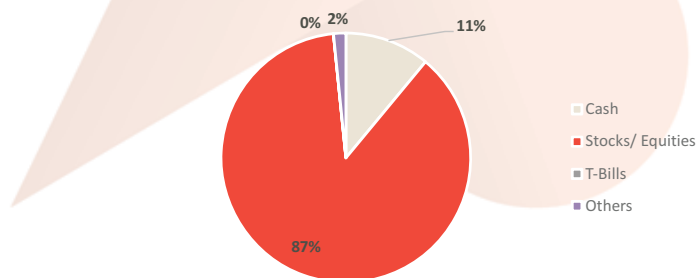
(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	3,469.73	5,919.37
Gross (loss) / income	-574.09	-1,132.34
Total Comprehensive Loss	-691.36	-1,335.15
Net Assets Value per Unit (PKR)	40.6369	62.3088
Issuance of units during the period	2,202.39	2,213.02
Redemption of units during the period	-2,969.29	-5,625.08

Alfalsh GHP Stock Fund

During FY19, AGSF outperformed with a return of -17.35% versus the benchmark (KSE-100) return -19.11% during the same period.

Asset Allocation
(as at 30 June 2019)



Key Financial Data

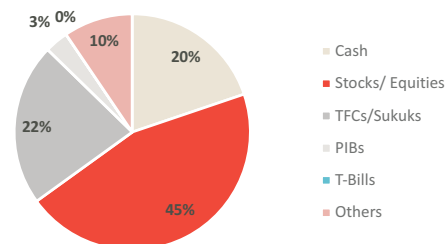
(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	2,223.66	2,663.39
Gross (loss) / income	-312.44	-404.65
Total Comprehensive Loss	-386.55	-497.37
Net Assets Value per Unit (PKR)	98.3279	133.9569
Issuance of units during the period	1,015.87	2,102.41
Redemption of units during the period	-1,250.23	-1,912.06

Alfalah GHP Value Fund

During FY19, AGVF underperformed its benchmark with a return of -8.80% versus the benchmark return of -6.93% during the same period

Asset Allocation
(as at 30 June 2019)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	1,738.04	2,353.78
Gross (loss) / income	-89.78	-224.67
Total Comprehensive Loss	-147.18	-304.94
Net Assets Value per Unit (PKR)	50.5829	61.9813
Issuance of units during the period	703.81	1,368.91
Redemption of units during the period	-1,192.67	-1,015.80

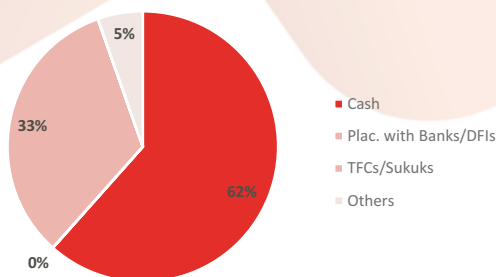
Alfalah GHP Income Fund

During the year under review, AGIF earned a return of 7.7% while the fund's benchmark stood at 10.2%.

Payout

During the year, the fund paid out cash dividend of PKR. 8.1115 Per unit to the unit holders.

Asset Allocation
(as at 30 June 2019)



Key Financial Data

(Rupees in Million)

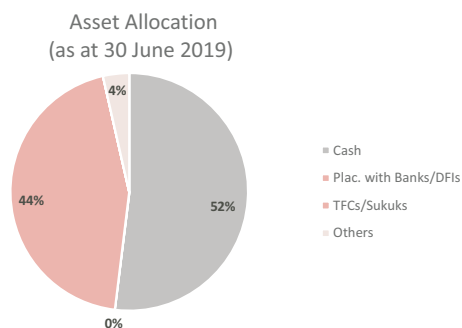
Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	346.68	730.92
Gross (loss) / income	32.11	48.47
Total Comprehensive Income	24.25	33.90
Net Assets Value per Unit (PKR)	112.4856	117.3377
Issuance of units during the period	538.44	1,282.75
Redemption of units during the period	-787.67	-1,534.34

Alfalah GHP Income Multiplier Fund

During the year, Alfalah GHP Income Multiplier Fund generated a return of 6.3% while the benchmark stood at 10.8%.

Payout

During the year, the fund paid out cash dividend of PKR. 3.1386 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

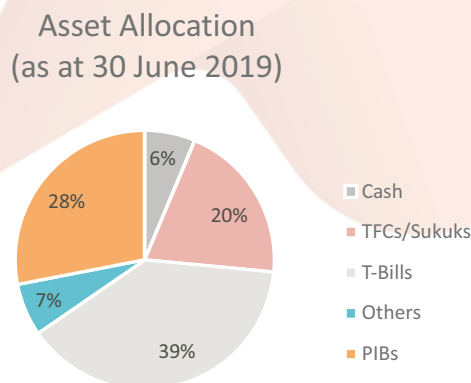
Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	417.93	1,583.75
Gross (loss) / income	33.49	108.07
Total Comprehensive Income	23.62	26.28
Net Assets Value per Unit (PKR)	53.2667	55.8625
Issuance of units during the period	1,077.94	1,760.83
Redemption of units during the period	-1,340.06	-2,921.00

Alfalah GHP Sovereign Fund

During FY19, Alfalah GHP Sovereign Fund generated a return of 7.68% while the fund's benchmark returned 10.0% during the same period.

Payout

During the year, the fund paid out cash dividend of PKR. 2.3296 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

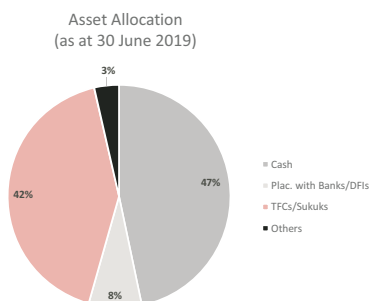
Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	858.85	1,235.94
Gross (loss) / income	83.13	80.98
Total Comprehensive Income	63.07	59.88
Net Assets Value per Unit (PKR)	106.3270	111.0050
Issuance of units during the period	2,824.15	1,455.015
Redemption of units during the period	-2,690.85	-1,898.730

Alfalah GHP Islamic Income Fund

During FY19, Alfalah GHP Cash Fund (AGCF) outperformed with a return of 9.03% while the benchmark of the fund generated 8.74% during the same period.

Payout

During the year, the fund paid out cash dividend of PKR. 0.911 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	4,474.85	6,022.53
Gross (loss) / income	412.23	346.99
Total Comprehensive Income	328.53	253.99
Net Assets Value per Unit (PKR)	101.9017	105.5066
Issuance of units during the period	7,534.44	7,735.66
Redemption of units during the period	-7,226.59	-6,328.85

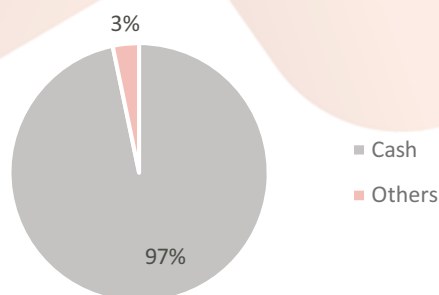
Alfalah GHP Cash Fund

During FY19, Alfalah GHP Cash Fund (AGCF) outperformed with a return of 9.03% while the benchmark of the fund generated 8.74% during the same period.

Payout

At the year end, the fund paid out cash dividend of PKR.42.65 per unit to the unit holders.

Asset Allocation as at 30 June 2019



Key Financial Data

(Rupees in Million)

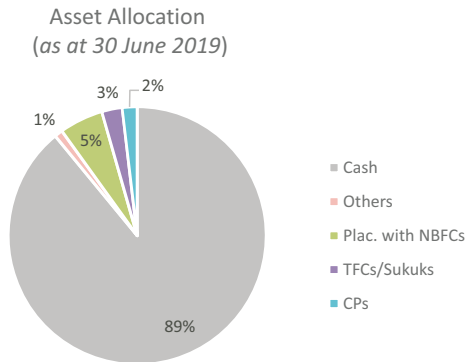
Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	116.42	131.44
Gross (loss) / income	12.48	9.32
Total Comprehensive Income	9.70	6.24
Net Assets Value per Unit (PKR)	499.08	520.20
Issuance of units during the period	450.98	276.41
Redemption of units during the period	-524.27	-1,544.05

Alfalah GHP Money Market Fund

During FY19, Alfalah GHP Money Market Fund (AGMMF) outperformed with a return of 9.15% while the benchmark of the fund generated 8.74%.

Payout

During the year, the fund paid out cash dividend of PKR. 1.2per unit to the unit holders.



Key Financial Data

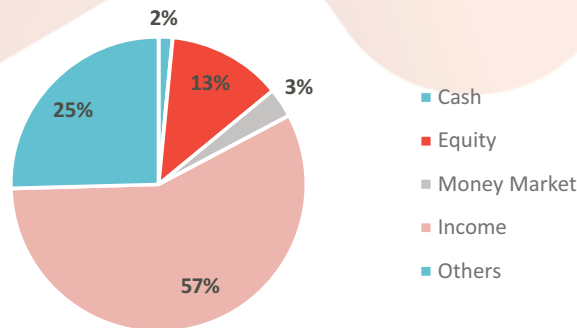
(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	13,580.36	2,689.43
Gross (loss) / income	1,379.27	171.59
Total Comprehensive Income	1,254.08	145.34
Net Assets Value per Unit (PKR)	97.9519	102.7407
Issuance of units during the period	41,902.93	11,232.95
Redemption of units during the period	-28,840.22	-7,467.26

Alfalah GHP Prosperity Planning Fund- Active Allocation Plan

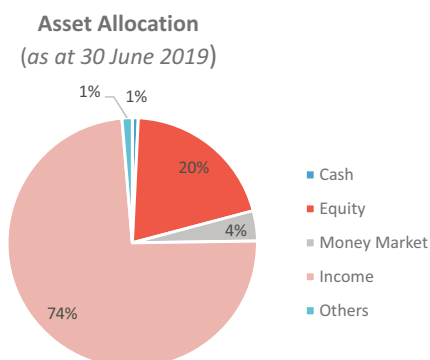
The fund's return stood at -6.88% against the benchmark return of -5.49%.

Asset Allocation
(as at 30 June 2019)



Alfalah GHP Prosperity Planning Fund- Moderate Plan

The fund's return stood at of -1.77% against the benchmark return of 0.77%.

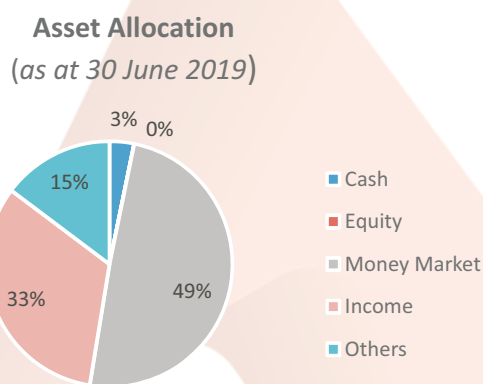


Alfalah GHP Prosperity Planning Fund- Conservative Plan

The fund generated a return of 3.74% against the benchmark which generated 6.61%.

Payout

During the year, the fund paid out cash dividend of PKR. 4.5499 per unit to the unit holders.



Key Financial Data Alfalah GHP Prosperity Planning Fund

(Rupees in Million)

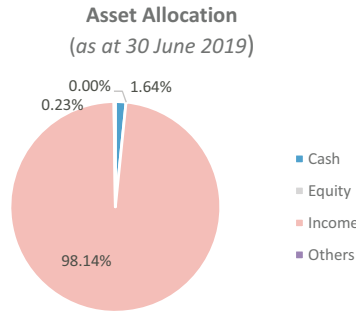
Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	For the year ended June 30 ,2019			For the year ended June 30 ,2018		
Average Net Assets	327.03	291.61	409.59	513.12	418.55	699.64
Gross (loss) / income	-14.87	12.10	-4.11	-41.14	5.27	-25.04
Total Comprehensive (loss) / Income	-16.18	10.09	-5.94	-42.90	3.01	-27.74
Net Assets Value per Unit (PKR)	98.9192	102.6701	98.0168	106.9901	111.0195	104.1419
Issuance of units during the year	3.63	82.51	22.97	248.44	49.04	111.03
Redemption of units during the year	-328.07	-266.16	-283.65	-27.19	-149.29	-461.20

Alfalah GHP Islamic Prosperity Planning Fund- Moderate Allocation Plan

The fund outperformed with a return of 4.94% against the benchmark which generated 1.02%.

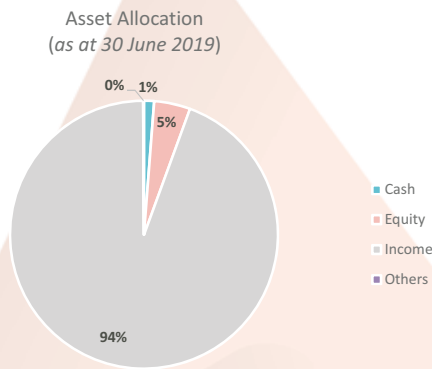
Payout

During the year, the fund paid out cash dividend of PKR. 4.5953per unit to the unit holders.



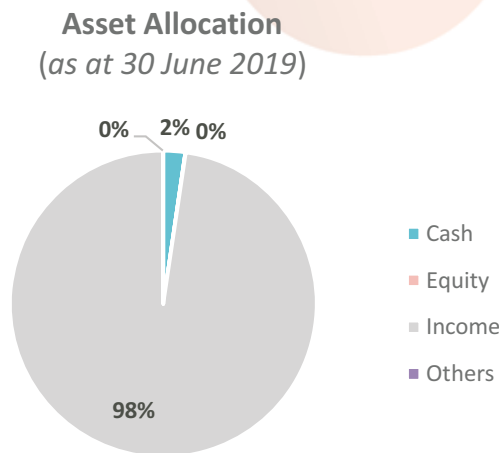
Alfalah GHP Islamic Prosperity Planning Fund- Active Allocation Plan II

The fund generated a return of -1.93% against the benchmark which generated -6.16%.



Alfalah GHP Islamic Prosperity Planning Fund - Active Allocation Plan III

The fund outperformed with a return of -2.41% against the benchmark which generated -7.51%.

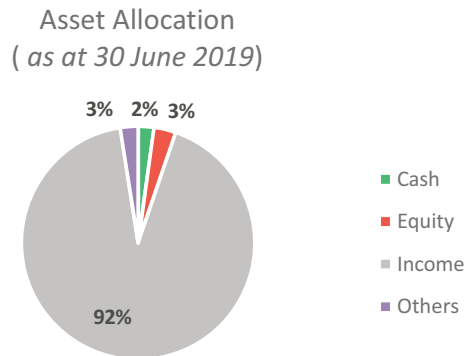


Alfalah GHP Islamic Prosperity Planning Fund - Balance Allocation Plan

The fund outperformed with a return of 0.80% against the benchmark which generated 0.52%.

Payout

During the year, the fund paid out cash dividend of PKR. 3.3133per unit to the unit holders.



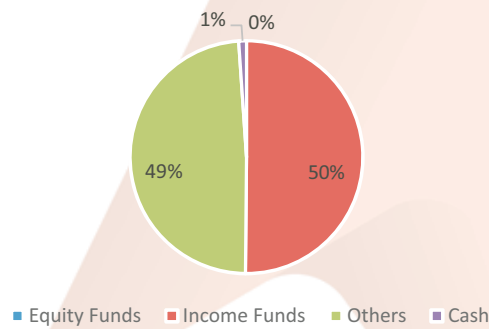
Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation 4

The fund outperformed with a return of 3.91% against the benchmark which generated 0.59%.

Payout

During the year, the fund paid out cash dividend of PKR. 3.7162per unit to the unit holders.

Asset Allocation as at June 30, 2019



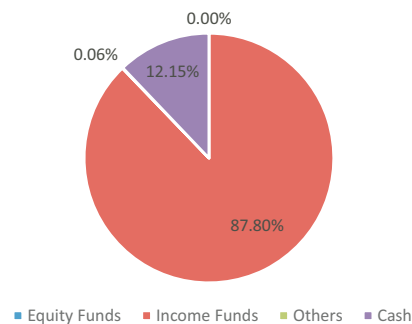
Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation 5

The fund outperformed with a return of 3.60% against the benchmark which generated 1.54%.

Payout

During the year, the fund paid out cash dividend of PKR. 3.4161per unit to the unit holders.

Asset Allocation as at June 30, 2019



Key Financial Data Alfalah GHP Islamic Prosperity Planning Fund

(Rupees in Million)

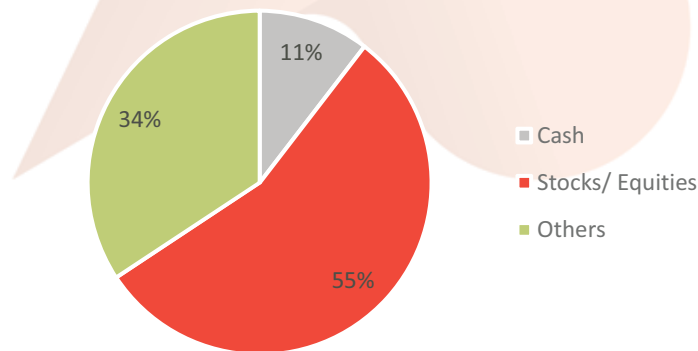
Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	For the year ended June 30 ,2019					
Average Net Assets	521.62	792.14	1,225.46	881.00	530.82	75.07
Gross income / (loss)	24.87	27.30	-29.89	-22.31	26.15	3.02
Total Comprehensive Income / (loss)	22.64	24.95	-33.68	-25.31	21.29	2.70
Net Assets Value per Unit (PKR)	98.1864	99.2760	90.6267	92.9738	100.1956	100.1816
Issuance of units during the year	269.52	218.36	-	9.82	908.30	105.86
Redemption of units	-835.14	-1,154.95	-1,286.27	-362.93	-749.58	-50.80

Description	Active Allocation Plan	Balance Allocation Plan	Active Allocation Plan - II	Active Allocation Plan - III
	For the year ended June 30 ,2018			
Average Net Assets	1,465.82	2,403.43	1,883.99	1,047.91
Gross loss	-133.18	-0.502	-164.68	-44.83
Total Comprehensive Loss	-140.04	-8.30	-170.76	-48.82
Net Assets Value per Unit (PKR)	97.9444	105.4376	92.4122	95.2688
Issuance of units during the period	0.09	651.59	-	-
Redemption of units during the period	-738.40	-2,797.31	-197.14	-69.01

Alfalah GHP Islamic Dedicated Equity Fund

The fund generated a return of -23.98% against the benchmark which generated -23.84%.

Asset Allocation
(as at 30 June 2019)



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	948.82	1,179.74
Gross (loss) / income	-149.23	-58.69
Total Comprehensive Income / (loss)	-177.10	-89.51
Net Assets Value per Unit (PKR)	59.8829	84.8112
Issuance of units during the period	1,295.00	2,104.78
Redemption of units during the period	-2,732.74	-1,061.07

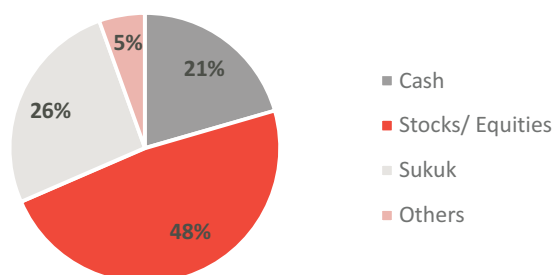
Alfalah GHP Islamic Value Fund

The fund outperformed with a return of -10.80% against the benchmark which generated -11.42%.

Payout

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

Asset Allocation
(as at 30 June 2019)



Key Financial Data

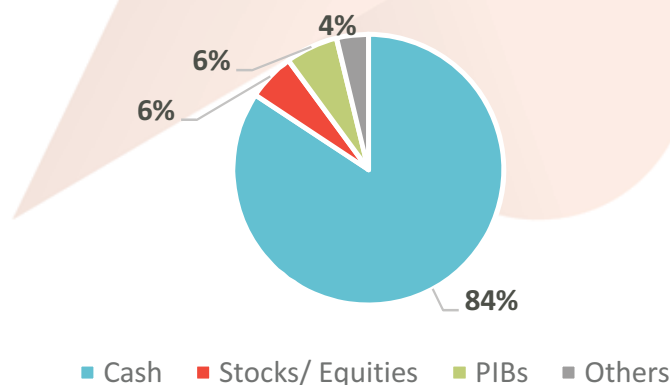
(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	213.87	263.61
Gross (loss) / income	-13.15	8.38
Total Comprehensive Income / (loss)	-21.93	0.25
Net Assets Value per Unit (PKR)	89.4693	100.5306
Issuance of units during the period	66.50	581.31
Redemption of units during the period	-191.07	-291.13

Alfalah Capital Preservation Fund II

The fund generated a return of 2.91% against benchmark of 5.01%.

During the year, the fund paid out a cash dividend 2.7852 per unit to the unit holders



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2019	For the year ended June 30, 2018
Average Net Assets	1,104.80	1,132.07
Gross (loss) / income	62.30	2.15
Total Comprehensive Income / (loss)	31.51	-2.19
Net Assets Value per Unit (PKR)	99.9197	99.8056
Issuance of units during the period	24.83	1,121.08
Redemption of units during the period	-97.39	-0.105

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
August 29, 2019





**Alfalah
GHP Cash Fund**

FUND INFORMATION

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

Alfalah GHP Cash Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Money Market Scheme

Investment Objective

The investment objective of Alfalah GHP Cash Fund (AGCF) is to provide regular stream of income at comparative rate of return while preserving capital to extent possible by investing in assets with low risk and high degree of liquidity from a portfolio constituted of mostly money market securities and placements.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration money market instruments within the guidelines provided under NBFC rules.

Money Market Review

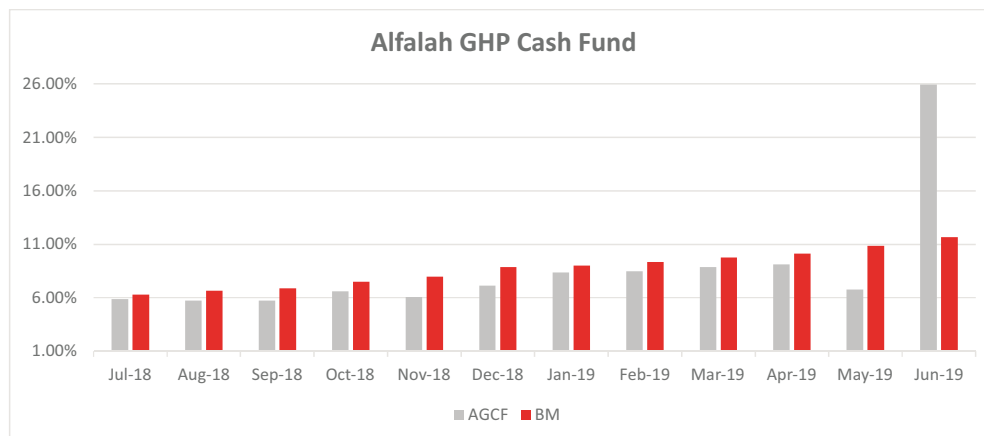
Pakistan's GDP posted a growth of 3.3% in FY19 as compared to 5.5% in FY18. Headline inflation rose up to 7.3% as compared to 3.9% in the same period last year. However, the CPI last quarter spiked up to 8.9% owing to the hike in oil prices and hefty depreciation of PKR which fell by 13.7% by the end of quarter. Measures taken by the incumbent government in order to control twin deficits in form of currency depreciation and monetary tightening started to bear fruit during the last quarter of the fiscal year.

The yield curve shifted upwards during the fiscal year due to continued expectation of monetary tightening as a result majority of the bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. During the year, the central bank was able to fetch PKR 18 trillion with majority of the participation witnessed in 3 month tenor. Through PIBs, the central bank was able to fetch PKR 708 billion against the target of PKR 800 billion with majority of the participation witnessed in 3 years followed by 5 years and 10 years.

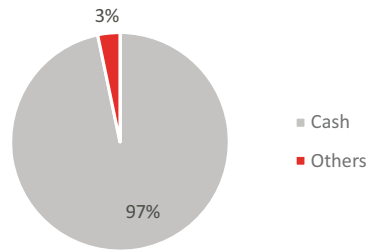
Going forward, the recent statement from monetary policy committee suggests that the adjustments related to interest rates and the exchange rate from the previously accumulated imbalances has taken place, however any unanticipated increases in inflation that adversely affect the inflation outlook may lead to further modest tightening.

Fund Performance

For the year ended June 30, 2019 the fund posted a return of 9.03% against the target benchmark of 8.74%. During the period, the fund maintained its strategy of parking funds at premium rates and trading in government securities; however due to higher expense ratio due to lower fund size resulted in subdued performance.



Asset Allocation
as at June 30, 2019)



Credit Quality (as % of Total Assets)			
Govt. Guar.	0.00%	A	0.00%
AAA	0.55%	A-	0.00%
AA+	96.16%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	0.00%	BelowIG	0.00%
A+	0.00%	NR/UR	3.29%

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.



MCB FINANCIAL SERVICES LIMITED

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

ALFALAH GHP CASH FUND

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

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

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

1. Alfalah GHP Investment Management Limited, the Management Company of Alfalah GHP Cash Fund has in all material respects managed Alfalah GHP Cash Fund during the year ended 30th June 2019 in accordance with the provisions of the following:

- (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
- (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
- (iii) the creation and cancellation of units are carried out in accordance with the deed;
- (iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 23, 2019

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 4 to the financial statements)	
	<p>The balances with banks constitute the most significant component of the NAV. The balances with banks aggregated to Rs 83,374 million.</p> <p>The existence of balances with banks for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Obtained independent confirmations for verifying the existence of the balances with banks as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirement

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP CASH FUND
STATEMENT OF ASSETS AND LIABILITIES
As AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	83,374,441	159,000,078
Investments	5	-	-
Profit receivable on bank balances		80,541	41,686
Advance tax and prepayments	6	450,081	29,368
Receivable from the Management Company - net	7	393,738	210,184
Total assets		<u>84,298,801</u>	<u>159,281,316</u>
Liabilities			
Payable to the Management Company	8	11,223,634	11,273,028
Payable to the Trustee	9	31,512	28,046
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	87,317	98,605
Accrued and other liabilities	11	3,679,888	3,043,666
Total liabilities		<u>15,022,351</u>	<u>14,443,345</u>
Net assets attributable to the unit holders		<u>69,276,450</u>	<u>144,837,971</u>
Unit holders' fund (as per the statement attached)		<u>69,276,450</u>	<u>144,837,971</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>138,807</u>	<u>278,429</u>
		----- (Rupees) -----	
Net asset value per unit		<u>499.08</u>	<u>520.20</u>

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Income			
Profit / mark-up income	13	12,840,023	9,394,464
Loss on sale of investments - net		(357,610)	(77,501)
Total income		<u>12,482,413</u>	<u>9,316,963</u>
Expenses			
Remuneration of the Management Company	7.2	641,220	1,032,115
Sindh sales tax on remuneration of the Management Company	8.1	83,366	134,175
Remuneration of the Trustee	9.1	503,444	511,024
Sindh sales tax on remuneration of the Trustee	9.2	65,023	66,395
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10.1	87,317	98,605
Bank and settlement charges		12,974	44,602
Legal and professional charges		139,414	-
Auditors' remuneration	14	633,944	633,830
Brokerage expense		3,803	11,622
Provision for Sindh Workers' Welfare Fund	11.1	198,276	127,316
Fees and subscriptions		343,532	341,554
Printing charges		70,032	77,231
Total expenses		<u>2,782,345</u>	<u>3,078,469</u>
Net income for the year before taxation		<u>9,700,068</u>	<u>6,238,494</u>
Taxation	16	-	-
Net income for the year after taxation		<u><u>9,700,068</u></u>	<u><u>6,238,494</u></u>
Allocation of net income for the year			
Net income for the year after taxation		9,700,068	6,238,494
Income already paid on units redeemed		(4,257,006)	(1,768,366)
		<u>5,443,062</u>	<u>4,470,128</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		5,443,062	4,470,128
		<u>5,443,062</u>	<u>4,470,128</u>

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	-----
Net income for the year after taxation	9,700,068	6,238,494
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>9,700,068</u></u>	<u><u>6,238,494</u></u>

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018			
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
	Rupees			Rupees			
Net assets at the beginning of the year	131,483,088	13,354,883	144,837,971	1,397,355,269	8,884,755	1,406,240,024	
Issuance of 853,845 units (2018: 455,690 units)							
- Capital value (at net asset value per unit at the beginning of the period)	419,253,289	-	419,253,289	273,348,113	-	273,348,113	
- Element of income	31,726,115	-	31,726,115	3,065,183	-	3,065,183	
Total proceeds on issuance of units	450,979,404	-	450,979,404	276,413,296	-	276,413,296	
Redemption of 993,467 units (2018: 3,073,773 units)							
- Capital value (at net asset value per unit at the beginning of the period)	493,591,012	-	493,591,012	1,541,287,088	-	1,541,287,088	
- Element of loss	26,421,560	4,257,006	30,678,566	998,389	1,768,366	2,766,755	
Total payments on redemption of units	520,012,572	4,257,006	524,269,578	1,542,285,477	1,768,366	1,544,053,843	
Total comprehensive income for the year	-	9,700,068	9,700,068	-	6,238,494	6,238,494	
Distributions during the year							
On July 02, 2018 @ Rs. 23.36 per unit	(2,058,983)	(4,445,122)	(6,504,105)	-	-	-	
On June 30, 2019 @ Rs. 42.65 per unit	(297,136)	(5,170,174)	(5,467,310)	-	-	-	
Total distributions for the year	(2,356,119)	(9,615,296)	(11,971,415)	-	-	-	
Net assets at end of the year	60,093,801	9,182,649	69,276,450	131,483,088	13,354,883	144,837,971	
	(Rupees)			(Rupees)			
Undistributed income brought forward							
- Realised income		13,354,883			8,884,852		
- Unrealised loss		-			(97)		
Accounting income available for distribution (after adjusting income already paid on units redeemed)		13,354,883			8,884,755		
- Relating to capital gain		-			-		
- Excluding capital gain		5,443,062			4,470,128		
Distributions during the year							
On July 02, 2018 @ Rs. 23.36 per unit		(4,445,122)			-		
On June 30, 2019 @ Rs. 42.65 per unit		(5,170,174)			-		
Undistributed income carried forward		9,182,649			13,354,883		
Undistributed income carried forward							
- Realised income		9,182,649			13,354,883		
- Unrealised income / (loss)		-			-		
		9,182,649			13,354,883		
		(Rupees)			(Rupees)		
Net asset value per unit at beginning of the year		520.1968			496.7500		
Net asset value per unit at end of the year		499.0847			520.1968		

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		9,700,068	6,238,494
Adjustments for:			
Provision for Sindh Workers' Welfare Fund		198,276	127,316
		<u>9,898,344</u>	<u>6,365,810</u>
(Increase) / decrease in assets			
Investments - net		-	1,989,212
Profit receivable on bank balances		(38,855)	2,009,399
Advance tax and prepayments		(420,713)	168,301
Receivable from the Management Company - net		(183,554)	(210,184)
		<u>(643,122)</u>	<u>3,956,728</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		(49,394)	(523,379)
Payable to the Trustee		3,466	(28,846)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(11,288)	(530,181)
Accrued and other liabilities		437,946	(167,446)
		<u>380,730</u>	<u>(1,249,852)</u>
Net cash generated from operating activities		<u>9,635,952</u>	<u>9,072,686</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		448,623,285	276,413,296
Amount paid against redemption of units		(524,269,578)	(1,544,053,843)
Dividend paid		(9,615,296)	-
Net cash used in financing activities		<u>(85,261,589)</u>	<u>(1,267,640,547)</u>
Net decrease in cash and cash equivalents during the year		<u>(75,625,637)</u>	<u>(1,258,567,861)</u>
Cash and cash equivalents at beginning of the year		159,000,078	1,417,567,939
Cash and cash equivalents at end of the year	4	<u><u>83,374,441</u></u>	<u><u>159,000,078</u></u>

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 (positive outlook) to the Management Company on August 9, 2019 and has downgraded the stability rating of the Fund to AA(f) on April 17, 2019.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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

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

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognised as FVTPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVTPL.

Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.6 and 16)

2.5 Accounting convention

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income “(FVOCI)”
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.2.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management’s assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company

3.8 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.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Gains or losses arising on sale of investments classified as 'financial assets at fair value through profit or loss' are recognised in the Income Statement in the period in which they arise.
- Unrealised gains or losses arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit / mark-up income on bank balances, letter of placement, term deposit receipts, certificate of investment and government securities is recognised on an accrual basis using the effective yield method.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2019	2018
		----- (Rupees) -----	
In saving accounts	4.1	<u>83,374,441</u>	<u>159,000,078</u>
4.1	The rate of return on these accounts ranges from 7.35% to 13.15% (2018: 5.3% to 7.35%) per annum. These include bank balance of Rs 82.899 million (2018: Rs 158.84 million) maintained with Bank Alfalah Limited (a related party).		

5 INVESTMENTS	Note	2019	2018
		----- (Rupees) -----	
At fair value through profit or loss			
Market Treasury Bills	5.1	<u>-</u>	<u>-</u>
5.1	Market Treasury Bills		

Particulars	Face Value				Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of	
	As at July 01, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019				net assets	total investment
	----- (Rupees) -----								
Market treasury bills - 3 months	-	503,000,000	503,000,000	-	-	-	-	-	-
Total as at June 30, 2019	<u>-</u>	<u>503,000,000</u>	<u>503,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2018	<u>20,000</u>	<u>10,070,000</u>	<u>10,090,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 ADVANCE TAX AND PREPAYMENTS	Note	2019	2018
		----- (Rupees) -----	
Advance tax	6.1	29,368	29,368
Prepaid PACRA rating fee		336,040	-
Prepaid professional fee		84,673	-
		<u>450,081</u>	<u>29,368</u>

- 6.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs 0.03 million.

For this purpose, the Mutual Funds Association of Pakistan (the MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as a receivable as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7 RECEIVABLE FROM THE MANAGEMENT COMPANY - NET	Note	2019	2018
		----- (Rupees) -----	
Reimbursement from the Management Company	7.1	450,000	310,000
Less: management remuneration payable	7.2	<u>(56,262)</u>	<u>(99,816)</u>
Receivable from the Management Company		<u>393,738</u>	<u>210,184</u>

- 7.1 The Total expense Ratio (TER) of the Fund shall be within the maximum limit of 2% as prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme. However, the TER of the Fund exceeded the above limit. As a result, the Fund has recorded reimbursement from the Management Company to comply with the TER.
- 7.2 The Management Company has charged remuneration at a rate of 1% (2018: 1%) of average annual net assets of the Fund from July 1, 2018 till June 9, 2019. Effective from June 10, 2019, the remuneration was charged at a rate of 0.21% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

	Note	2019	2018
----- (Rupees) -----			
8 PAYABLE TO THE MANAGEMENT COMPANY			
Sindh sales tax payable on management remuneration	8.1	1,411,426	1,462,501
Federal excise duty payable on management remuneration	8.2	9,810,527	9,810,527
Sales load payable		1,681	-
		<u>11,223,634</u>	<u>11,273,028</u>

8.1 During the year, an amount of Rs. 0.083 million (2018: Rs. 0.134 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.134 million (2018: Rs. 0.183 million) has been paid to the Management Company which acts as a collecting agent.

8.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 9.81 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 70.68 (2018: Rs 35.24) per unit.

	Note	2019	2018
----- (Rupees) -----			
9 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	9.1	26,186	22,742
Sindh sales tax payable on trustee remuneration	9.2	5,326	5,304
		<u>31,512</u>	<u>28,046</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	Tariff per annum
Up to Rs.1 billion	Rs.0.5 million or 0.12% p.a. of net assets whichever is higher.
Over Rs. 1 billion	Rs.1.2 million plus 0.06% p.a. of net assets exceeding Rs.1 billion.

9.2 During the year, an amount of Rs 0.065 million (2018: Rs. 0.066 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.065 million (2018: Rs. 0.069 million) was paid to the Trustee which acts as a collecting agent.

	Note	2019	2018
----- (Rupees) -----			
10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to the SECP	10.1	<u>87,317</u>	<u>98,605</u>

- 10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% (2018: 0.075%) of the average annual net assets of the Fund.

	Note	2019	2018
----- (Rupees) -----			
11 ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	11.1	2,489,806	2,291,531
Auditors' remuneration payable		467,520	385,996
Withholding tax payable		249,485	5,095
Brokerage payable		11,929	11,068
Printing charges payable		82,960	36,035
Annual rating fee payable		-	116,383
Dividend payable		378,188	197,173
Other payables		-	385
		<u>3,679,888</u>	<u>3,043,666</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Rs 17.94 (2018: Rs 8.23) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	2019	2018
----- (Rupees) -----		
13 PROFIT / MARK-UP INCOME		
Profit / mark-up income on:		
Bank balances	5,830,676	5,365,982
Market Treasury Bills	7,009,347	4,028,482
	<u>12,840,023</u>	<u>9,394,464</u>

14 AUDITORS' REMUNERATION

Audit fee	315,000	315,000
Review and other certifications	211,000	211,000
Out of pocket expenses	60,985	65,750
Sindh sales tax	46,959	42,080
	<u>633,944</u>	<u>633,830</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 2.39% which includes 0.41% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed

amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

Remunerations to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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:

17.1 Unit Holders' Fund

		2019										
		As at July 01, 2018	Issued for cash / conversion in transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2019	
						(Units)					(Rupees)	
Associated companies / undertakings												
	Alfalah GHP Investment Management Limited	17.1.1	19,322	638,211	772	658,305	-	10,051,243	340,427,748	383,667	351,653,343	-
	Alfalah GHP Prosperity Planning Funds	17.1.1	170,173	101,032	17,376	169,477	119,104	88,523,458	50,600,000	8,654,084	86,709,515	59,442,963
		2018										
		As at July 01, 2017	Issued for cash / conversion in transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2018	
						(Units)					(Rupees)	
Associated companies / undertakings												
	Alfalah GHP Investment Management Limited		19,322	-	-	19,322	4,598,432	-	-	-	10,051,243	
	Alfalah GHP Prosperity Funds		-	187,989	-	17,816	170,173	-	94,000,000	-	9,000,000	88,523,458
Unit holder holding 10% or more units												
	IGI Life Insurance - ACF		-	50,807	-	50,807	-	26,359,406	-	-	26,429,868	

17.1.1 This reflects the position of related party / connected person status as at June 30, 2019.

17.2 Other transactions	2019	2018
Associated companies / undertakings	----- (Rupees) -----	
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	641,220	1,032,115
Sindh sales tax on remuneration of the Management Company	83,366	134,175
Alfalah GHP Sovereign Fund		
Market Treasury Bills - purchased	115,886,338	-
Market Treasury Bills - sold	114,379,375	-
Alfalah GHP Capital Preservation Fund II		
Market Treasury Bills - purchased	17,649,234	-
Market Treasury Bills - sold	-	-
Alfalah GHP Money Market Fund		
Market Treasury Bills - purchased	19,666,320	-
Market Treasury Bills - sold	4,984,940	-
Bank Alfalah Limited		
Profit on bank balances	3,687,633	1,029,950
Bank charges	10,043	14,368
MCB Financial Services Limited - Trustee		
Remuneration of the Trustee	503,444	511,024
Sindh sales tax on remuneration of the Trustee	65,023	66,395
17.3 Other balances	2019	2018
Associated companies / undertakings	----- (Rupees) -----	
Alfalah GHP Investment Management Limited - Management Company		
Expense reimbursement from the Management Company - net	393,738	210,184
Sindh sales tax payable on management remuneration	1,411,426	1,462,501
Federal excise duty payable on management remuneration	9,810,527	9,810,527
Sales load payable	1,681	-
Bank Alfalah Limited		
Bank balance	82,898,839	158,841,800
Profit receivable on bank balances	68,238	43,333
Other related party		
MCB Financial Services Limited - Trustee		
Trustee remuneration payable	26,186	22,742
Sindh sales tax payable on trustee remuneration	5,326	5,304

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial assets			
Bank balances	83,374,441	-	83,374,441
Profit receivable on bank balances	80,541	-	80,541
Receivable from the Management Company - net	393,738	-	393,738
	<u>83,848,720</u>	<u>-</u>	<u>83,848,720</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	11,223,634	11,223,634
Payable to the Trustee	-	31,512	31,512
Accrued and other liabilities	-	940,597	940,597
	<u>-</u>	<u>12,195,743</u>	<u>12,195,743</u>

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	159,000,078	-	159,000,078
Profit receivable on bank balances	41,686	-	41,686
Receivable from the Management Company - net	210,184	-	210,184
	<u>159,251,948</u>	<u>-</u>	<u>159,251,948</u>

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	11,273,028	11,273,028
Payable to the Trustee	-	28,046	28,046
Accrued and other liabilities	-	747,040	747,040
	<u>-</u>	<u>12,048,114</u>	<u>12,048,114</u>

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

19.1.1 Currency risk

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

19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	Note	2019	2018
		-----Rupees-----	
Variable rate instrument (financial asset)			
Bank balance	4	<u>83,374,441</u>	<u>159,000,078</u>

a) **Sensitivity analysis for variable rate instrument**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.0008 million (2018: Rs 0.0004 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

b) **Sensitivity analysis for fixed rate instrument**

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.35% - 13.15%	83,374,441	-	-	-	83,374,441
Profit receivable on bank balances		-	-	-	80,541	80,541
Receivable from the Management Company - net		-	-	-	393,738	393,738
Sub total		83,374,441	-	-	474,279	83,848,720
Financial liabilities						
Payable to the Management Company		-	-	-	11,223,634	11,223,634
Payable to the Trustee		-	-	-	31,512	31,512
Accrued and other liabilities		-	-	-	940,597	940,597
Sub total		-	-	-	12,195,743	12,195,743
On-balance sheet gap		83,374,441	-	-	(11,721,464)	71,652,977
Total interest rate sensitivity gap		83,374,441	-	-	(11,721,464)	71,652,977
Cumulative interest rate sensitivity gap		83,374,441	83,374,441	83,374,441		

Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest 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	5.3% - 7.35%	159,000,078	-	-	-	159,000,078
Profit receivable on bank balances		-	-	-	41,686	41,686
Receivable from the Management Company - net		-	-	-	210,184	210,184
Sub total		159,000,078	-	-	251,870	159,251,948

Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees)						
Financial liabilities						
Payable to the Management Company	-	-	-	-	11,273,028	11,273,028
Payable to the Trustee	-	-	-	-	28,046	28,046
Accrued and other liabilities	-	-	-	-	747,040	747,040
Sub total	-	-	-	-	12,048,114	12,048,114
On-balance sheet gap	159,000,078	-	-	-	(11,796,244)	147,203,834
Total interest rate sensitivity gap	159,000,078	-	-	-	(11,796,244)	147,203,834
Cumulative interest rate sensitivity gap	159,000,078	159,000,078	159,000,078			

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at reporting date, the Fund is not exposed to price risk.

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees)				
Bank balances	83,374,441	83,374,441	159,000,078	159,000,078
Profit receivable on bank balances	80,541	80,541	41,686	41,686
Receivable from the Management Company - net	393,738	393,738	210,184	210,182
	<u>83,848,720</u>	<u>83,848,720</u>	<u>159,251,948</u>	<u>159,251,946</u>

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Bank Name	Rating agency	Rating	2019	2018
			Percentage of total bank balances	
Bank Alfalah Limited	JCR-VIS	A1+	99.4296%	99.9004%
Allied Bank Limited	PACRA	A1+	0.4957%	0.0917%
Bank Al Habib Limited	PACRA	A1+	0.0059%	0.0031%
Zarai Taraqjati Bank Limited	JCR-VIS	A1+	0.0689%	0.0048%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the 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 mainly held with various banks and securities issued by the State Bank of Pakistan on behalf of the Government.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	83,374,441	-	-	-	83,374,441
Mark-up receivable	80,541	-	-	-	80,541
Receivable from the Management Company - net	393,738	-	-	-	393,738
	83,848,720	-	-	-	83,848,720
Financial liabilities					
Payable to the Management Company	11,223,634	-	-	-	11,223,634
Payable to the Trustee	31,512	-	-	-	31,512
Accrued and other liabilities	940,597	-	-	-	940,597
	12,195,743	-	-	-	12,195,743
Net assets	<u>71,652,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,652,977</u>

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	159,000,078	-	-	-	159,000,078
Receivable from the Management Company - net	210,184	-	-	-	210,184
Mark-up receivable	41,686	-	-	-	41,686
	159,251,948	-	-	-	159,251,948
Financial liabilities					
Payable to the Management Company	11,273,028	-	-	-	11,273,028
Payable to the Trustee	28,046	-	-	-	28,046
Accrued and other liabilities	747,040	-	-	-	747,040
	12,048,114	-	-	-	12,048,114
Net assets	147,203,834	-	-	-	147,203,834

19.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2:** 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); and
- Level 3:** inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund does not hold any financial assets which are carried or disclosed at fair value.

19.5 Unit holders' fund risk management

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

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

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors 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 Management 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 net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. During the year, the Fund remained below one hundred million rupees on certain days, however the same was complied within the time limit as specified in the NBFC Regulations. The Fund is below the minimum requirement of one hundred million rupees as at June 30, 2019 as well. However, the Fund is required to comply with this requirement within three months of non-compliance.

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

22 GENERAL

Figures are rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	39	9,516	4,749,084	7%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	3	9,836	4,909,067	7%
Others	7	119,455	59,618,299	86%
	49	138,807	69,276,450	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	34	13,879	7,219,841	5%
Associated Co./ Directors	1	19,322	10,051,544	7%
Banks/Dfis	-	-	-	0%
Insurance Co.	4	65,972	34,318,544	24%
Retirement & Other Funds	3	8,655	4,502,371	3%
Others	8	170,601	88,745,672.00	61%
	50	278,429	144,837,971	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June
	2019
	%
Continental Exchange (Pvt.) Limited	54
BIPL Securities	21
Paramount Capital (Pvt.) Limited	15
Summit Capital (Private) Limited	10
	30 June
	2018
	%
BMA Capital Management Limited	46
Invest Capital Markets Limited	25
Icon Securities Private Limited	12
Invest & Finance Securities Limited	6
Arif Habib Limited	4
Invest One Markets Limited	4
Bright Capital Market	4

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGCF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
	(Rupees in '000)				
Net Assets	69,276	144,838	1,406,240	1,867,649	1,046,533
NAV per unit	499.0847	520.1968	496.7470	495.6000	500.9600
Selling price per unit	499.0847	520.1968	496.7470	495.6000	500.9600
Redemption price per unit	499.0847	520.1968	496.7470	495.6000	500.9600
Highest selling price per unit	537.1700	520.1968	530.6400	526.6200	545.2200
Highest redemption price per unit	537.1700	520.1968	530.6400	526.6200	545.2200
Lowest selling price per unit	497.2300	497.0300	495.8500	495.4300	500.7500
Lowest redemption price per unit	497.2300	497.0300	495.8500	495.4300	500.7500
Total interim distribution per unit	NIL	NIL	32.84	31.33	44.8
Interim distribution date	NIL	NIL	22-Jun-17	22-Jun-16	26-Jun-15
				N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	42.65	23.36	Nil	Nil	Nil
Final distribution date	30-Jun-19	2-Jul-18	N/A	N/A	N/A
Annualized returns %	9.03%	4.71%	6.86%	5.17%	6.67%
Income distribution %	8.58%	4.70%	6.62%	6.25%	8.91%
Weighted avg. portfolio duration (Days)	0.001Days	0.48Days	1 Days	17 Days	31 Days

Return since inception is **8.28 %**

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



**Alfalah GHP
Money Market Fund**

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

Alfalah GHP Money Market Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Money Market Scheme

Investment Objective

To generate competitive returns consistent with low risk from a portfolio constituted of short term instruments including cash deposits, money market placements, and government securities.

Accomplishment of Objective

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

Money Market Review:-

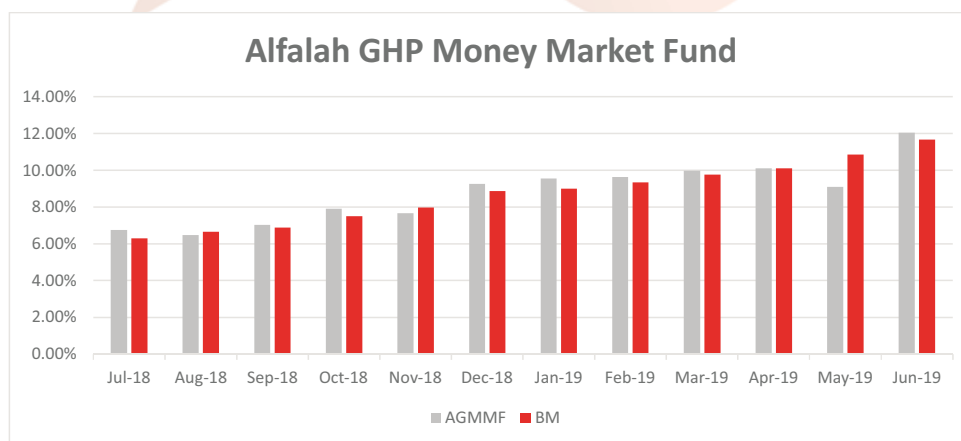
Pakistan's GDP posted a growth of 3.3% in FY19 as compared to 5.5% in FY18. Headline inflation rose up to 7.3% as compared to 3.9% in the same period last year. However, the CPI last quarter spiked up to 8.9% owing to the hike in oil prices and hefty depreciation of PKR which fell by 13.7% by the end of quarter. Measures taken by the incumbent government in order to control twin deficits in form of currency depreciation and monetary tightening started to bear fruit during the last quarter of the fiscal year.

The yield curve shifted upwards during the fiscal year due to continued expectation of monetary tightening as a result majority of the bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. During the year, the central bank was able to fetch PKR 18 trillion with majority of the participation witnessed in 3 month tenor. Through PIBs, the central bank was able to fetch PKR 708 billion against the target of PKR 800 billion with majority of the participation witnessed in 3 years followed by 5 years and 10 years.

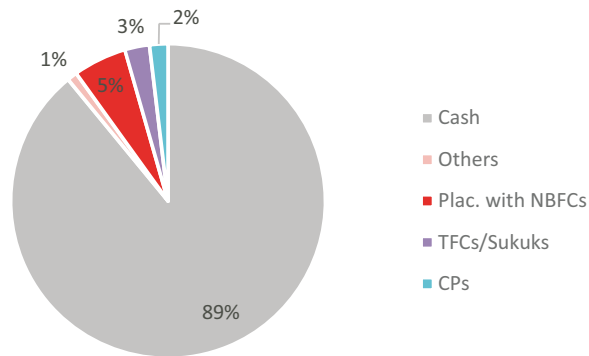
Going forward, the recent statement from monetary policy committee suggests that the adjustments related to interest rates and the exchange rate from the previously accumulated imbalances has taken place, however any unanticipated increases in inflation that adversely affect the inflation outlook may lead to further modest tightening.

Fund Performance

For the year ended June 30 2019, the Fund posted a return of 9.15% against the benchmark of 8.74%. The fund maintained its strategy of parking funds at premium rates and trading in government securities in order to outperform its benchmark.



Asset Allocation
(as at June 30, 2019)



Credit Quality (as % of Total Assets)			
Govt. Guar.	0.00%	A	0.00%
AAA	85.50%	A-	0.00%
AA+	13.46%	BBB+	0.00%
AA	0.01%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	1.03%

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Man Shahr-e-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 333-111-560
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP MONEY MARKET 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 Money Market Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 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.

Badurddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The investments and bank balances constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 1,810.632 million and bank balances aggregated to Rs 16,217.425 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other matter

The financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 24, 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	16,217,424,788	5,166,589,960
Investments	5	1,810,632,092	-
Security deposit with Central Depository Company of Pakistan Limited		100,000	-
Profit receivable	6	23,882,945	10,298,242
Total assets		<u>18,052,039,825</u>	<u>5,176,888,202</u>
Liabilities			
Payable to the Management Company	7	22,466,025	14,054,256
Payable to the Trustee	8	1,224,407	397,926
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	10,185,165	2,017,058
Accrued and other liabilities	10	42,911,401	9,237,858
Total liabilities		76,786,998	25,707,098
Net assets attributable to the unit holders		<u>17,975,252,827</u>	<u>5,151,181,104</u>
Unit holders' fund (as per the statement attached)		<u>17,975,252,827</u>	<u>5,151,181,104</u>
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		<u>183,510,954</u>	<u>50,137,701</u>
		----- (Rupees) -----	
Net asset value per unit		<u>97.9519</u>	<u>102.7407</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
----- (Rupees) -----			
Income			
Profit / mark-up income	12	1,406,284,863	173,500,549
Loss on sale of investments - net		(27,018,466)	(1,912,158)
Total income		<u>1,379,266,397</u>	<u>171,588,391</u>
Expenses			
Remuneration to the Management Company	7.1	66,586,525	15,080,321
Sindh sales tax on remuneration of the Management Company	7.2	8,656,248	1,960,531
Remuneration of the Trustee	8.1	10,295,666	2,767,140
Sindh sales tax on remuneration of the Trustee	8.2	1,338,437	359,728
Annual fee to the Securities and Exchange Commission of Pakistan	9	10,185,165	2,017,058
Legal expenses		579,510	-
Brokerage expense and capital value tax		988,975	144,086
Bank and settlement charges		536,644	196,244
Auditors' remuneration	13	270,001	270,001
Fees and subscription		81,569	427,214
Printing charges		70,000	58,247
Provision for Sindh Workers' Welfare Fund	10.1	25,593,553	2,966,188
Total expenses		<u>125,182,293</u>	<u>26,246,758</u>
Net income for the year before taxation		<u>1,254,084,104</u>	<u>145,341,633</u>
Taxation	15	-	-
Net income for the year after taxation		<u>1,254,084,104</u>	<u>145,341,633</u>
Allocation of net income for the year:			
Net income for the year after taxation		1,254,084,104	145,341,633
Income already paid on units redeemed		(186,080,748)	(61,431,929)
		<u>1,068,003,356</u>	<u>83,909,704</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		1,068,003,356	83,909,704
		<u>1,068,003,356</u>	<u>83,909,704</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Net income for the year after taxation	1,254,084,104	145,341,633
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>1,254,084,104</u></u>	<u><u>145,341,633</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	5,066,969,507	84,211,597	5,151,181,104	1,239,840,633	301,893	1,240,142,526
Issuance of 426,625,321 (2018: 111,884,149) units						
- Capital value (at net asset value per unit at the beginning of the year)	41,560,388,148	-	41,560,388,148	10,899,373,186	-	10,899,373,186
- Element of income	342,537,886	-	342,537,886	333,579,418	-	333,579,418
Total proceeds on issuance of units	41,902,926,034	-	41,902,926,034	11,232,952,604	-	11,232,952,604
Redemption of 293,252,067 (2018: 175,826,885) units						
- Capital value (at net asset value per unit at the beginning of the year)	28,567,619,310	-	28,567,619,310	7,255,271,667	-	7,255,271,667
- Element of loss	86,524,178	186,080,748	272,604,926	150,552,063	61,431,929	211,983,992
Total payments on redemption of units	28,654,143,488	186,080,748	28,840,224,236	7,405,823,730	61,431,929	7,467,255,659
Total comprehensive income for the year	-	1,254,084,104	1,254,084,104	-	145,341,633	145,341,633
Final distribution for the year ended June 30, 2018 @ Rs. 5.3241 per unit on July 02, 2018	(183,027,425)	(83,910,699)	(266,938,124)	-	-	-
1st interim distribution for the year ending June 30, 2019 @ Rs. 1.4682 per unit on September 28, 2018	(13,741,109)	(49,167,593)	(62,908,702)	-	-	-
2nd interim distribution for the year ending June 30, 2019 @ Rs. 0.5335 per unit on October 26, 2018	(48,113,662)	(90,541,165)	(138,654,827)	-	-	-
3rd interim distribution for the year ending June 30, 2019 @ Rs. 0.6324 per unit on November 29, 2018	(10,715,201)	(70,574,501)	(81,289,702)	-	-	-
4th interim distribution for the year ending June 30, 2019 @ Rs. 0.6101 per unit on December 27, 2018	(9,011,895)	(73,471,330)	(82,483,225)	-	-	-
5th interim distribution for the year ending June 30, 2019 @ Rs. 0.7672 per unit on January 29, 2019	(22,359,499)	(91,979,676)	(114,339,175)	-	-	-
6th interim distribution for the year ending June 30, 2019 @ Rs. 0.6476 per unit on February 27, 2019	(11,314,608)	(104,933,733)	(116,248,341)	-	-	-
7th interim distribution for the year ending June 30, 2019 @ Rs. 0.7472 per unit on March 29, 2019	(7,771,534)	(130,147,586)	(137,919,120)	-	-	-
8th interim distribution for the year ending June 30, 2019 @ Rs. 0.6853 per unit on April 29, 2019	(8,952,931)	(121,796,072)	(130,749,003)	-	-	-
9th interim distribution for the year ending June 30, 2019 @ Rs. 0.7794 per unit on May 31, 2019	(12,271,090)	(131,023,130)	(143,294,220)	-	-	-
Final distribution for the year ended June 30, 2019 @ Rs. 1.20 per unit on June 30, 2019	(20,190,451)	(197,699,289)	(217,889,740)	-	-	-
Total distributions during the year	(347,469,405)	(1,145,244,774)	(1,492,714,179)	-	-	-
Net assets at the end of the year	17,968,282,648	6,970,179	17,975,252,827	5,066,969,507	84,211,597	5,151,181,104
	(Rupees)			(Rupees)		
Undistributed income brought forward		84,211,597			301,893	
- Realised income		-			(97)	
- Unrealised income / (loss)		84,211,597			301,893	
Accounting income available for distribution		-			-	
- Relating to capital gains		1,068,003,356			83,909,704	
- Excluding capital gains		1,068,003,356			83,909,704	
Total distributions during the year		(1,145,244,774)				
Undistributed income carried forward		<u>6,970,179</u>			<u>84,211,597</u>	
Undistributed income carried forward						
- Realised income		6,970,179			84,211,597	
- Unrealised income		-			-	
		<u>6,970,179</u>			<u>84,211,597</u>	
Net asset value per unit at the beginning of the year			Rupees <u>102.7407</u>			Rupees <u>97.4166</u>
Net asset value per unit at the end of the year			<u>97.9519</u>			<u>102.7407</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		1,254,084,104	145,341,633
Adjustments for:			
Provision for Sindh Workers' Welfare Fund		25,593,553	2,966,188
		<u>1,279,677,657</u>	<u>148,307,821</u>
(Increase) / decrease in assets			
Investments - net		(463,000,000)	1,989,214
Profit receivable		(13,584,703)	(6,898,035)
		(476,584,703)	(4,908,821)
(Decrease) / increase in liabilities			
Payable to the Management Company		8,411,769	977,544
Payable to the Trustee		826,481	218,489
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		8,168,107	971,747
Accrued and other liabilities		7,979,990	(3,891,565)
		25,386,347	(1,723,785)
Net cash generated from operating activities		<u>828,479,301</u>	<u>141,675,215</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		41,555,456,629	11,232,952,603
Payment made against redemption of units		(28,840,224,236)	(7,467,255,658)
Dividend paid		(1,145,244,774)	-
Net cash generated from financing activities		11,569,987,619	3,765,696,945
Net increase in cash and cash equivalents during the year		<u>12,398,466,920</u>	<u>3,907,372,160</u>
Cash and cash equivalents at beginning of the year		5,166,589,960	1,259,217,800
Cash and cash equivalents at end of the year	16	<u><u>17,565,056,880</u></u>	<u><u>5,166,589,960</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019 and AA+(f) to the Fund in its credit rating report dated April 17, 2019.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in current year

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

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

collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors'	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (notes 3.2.1 and 5)
- Impairment of financial assets (note 3.2.2)
- Taxation (notes 3.6 and 15)

2.5 Accounting Convention

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.2.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 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.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- "Gains or losses arising on sale of investments classified as 'financial assets at fair value through profit or loss' are recognised in the income statement at the date on which the transaction takes place. "
- Unrealised gains / (losses) arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- "Profit on bank deposits and debt securities is recognised on time proportion basis using the effective yield method."
- Income on Government securities is recognised on a time proportionate basis using the effective yield method.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year

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

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4. BANK BALANCES	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
In saving accounts	4.1	16,217,424,788	5,166,589,960

4.1 The rate of return on these accounts ranges from 6.60% to 13.60% (2018: 5.30% to 7.35%) per annum. It includes bank balance of Rs 454.25 million (2018: Rs 654.105 million) maintained with Bank Alfalah Limited (a related party).

5. INVESTMENTS	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
At fair value through profit or loss			
Market treasury bills	5.1	-	-
Term deposit receipts	5.2	1,000,000,000	-
Commercial papers	5.3	347,632,092	-
Short term Sukuks	5.4	463,000,000	-
Pakistan Investment Bonds	5.5	-	-
Letters of placement	5.6	-	-
		1,810,632,092	-

5.1 Market treasury bills - 'at fair value through profit or loss'

Particulars	Face value				Balance as at June 30, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019	Carrying Value	Market Value	Unrealised gain / (loss)		
----- (Rupees) -----									
Maturity upto 3 months	-	96,907,100,000	96,907,100,000	-	-	-	-	-	-
Maturity upto 12 months	-	7,501,000,000	7,501,000,000	-	-	-	-	-	-
Total as at June 30, 2019	-	104,408,100,000	104,408,100,000	-	-	-	-	-	-
Total as at June 30, 2018	20,000	431,450,000	431,470,000	-	-	-	-	-	-

5.2 Term deposit receipts - 'at fair value through profit or loss'

Name of the investee company	Rate of return per annum	Face value				Balance as at June 30, 2019			Market value as percentage of net assets	Market value as percentage of total investments
		As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Carrying Value	Market Value	Unrealised gain / (loss)		
----- (Rupees) -----										
Bank Alfalah Limited (a related party)	8.60%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Bank Alfalah Limited (a related party)	10.75%	-	1,260,000,000	1,260,000,000	-	-	-	-	-	-
Bank Alfalah Limited (a related party)	13.30%	-	1,000,000,000	-	1,000,000,000	1,000,000,000	1,000,000,000	-	5.56%	55.23%
Samba Bank Limited	7.80%	-	500,000,000	500,000,000	-	-	-	-	-	-
Samba Bank Limited	8.80%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Samba Bank Limited	10.85%	-	700,000,000	700,000,000	-	-	-	-	-	-
Samba Bank Limited	10.00%	-	700,000,000	700,000,000	-	-	-	-	-	-
Total as at June 30, 2019		-	6,160,000,000	5,160,000,000	1,000,000,000	1,000,000,000	1,000,000,000	-	5.56%	55.23%
Total as at June 30, 2018		100,000,000	620,000,000	720,000,000	-	-	-	-	-	-

5.3 Commercial Papers - 'at fair value through profit or loss'

Commercial Papers - 'at fair value through profit or loss'

Name of the investee company	Rate of return per annum	As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Balance as at June 30, 2019			Market value as percentage of net assets	Market value as percentage of total investments
						Carrying Value	Market Value	Unrealised gain / (loss)		
-----No. of Certificates-----						-----Rupees-----				
The Hub Power Company Limited	3M Kibor+1%	-	350	-	3,500	347,632,092	347,632,092	-	1.93%	19.20%
Total as at June 30, 2019		-	350	-	3,500	347,632,092	347,632,092	-	1.93%	19.20%
Total as at June 30, 2018		-	-	-	-	-	-	-	-	-

5.3.1 The nominal value of these commercial papers is Rs 100,000 each and will mature on July 22, 2019.

5.4 Short Term Sukuks - 'at fair value through profit or loss'

Name of the investee company	Rate of return per annum	As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Balance as at June 30, 2019			Market value as percentage of net assets	Market value as percentage of total investments
						Carrying Value	Market Value	Unrealised gain / (loss)		
-----No. of Certificates-----						-----Rupees-----				
The Hub Power Company Limited	3M Kibor+1%	-	4,500	-	4,500	463,000,000	463,000,000	-	2.58%	25.57%
Total as at June 30, 2019		-	4,500	-	4,500	463,000,000	463,000,000	-	2.58%	25.57%
Total as at June 30, 2018		-	-	-	-	-	-	-	-	-

5.4.1 The nominal value of this sukuk certificates is Rs 100,000 each and will mature on October 02, 2019.

5.5 Pakistan Investment Bonds - 'at fair value through profit or loss'

Name of the investee company	Face value				Balance as at June 30, 2019			Market value as percentage of net assets	Market value as percentage of total investments
	As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Carrying Value	Market Value	Unrealised gain / (loss)		
-----Rupees-----									
Pakistan Investment Bonds - 5 years	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Total as at June 30, 2019	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-
Total as at June 30, 2018	-	-	-	-	-	-	-	-	-

5.6 Letters of placement - 'at fair value through profit or loss'

Name of the investee company	Rate of return per annum	Face value			Balance as at June 30, 2019		Unrealised gain / (loss) on revaluation	Market value as percentage of net assets	Market value as percentage of total investments
		As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Carrying Value			
-----Rupees-----									
Pak Brunei Investment Company Limited	7.60%	-	550,000,000	550,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	8.65%	-	1,200,000,000	1,200,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	10.05%	-	1,260,000,000	1,260,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	10.60%	-	1,260,000,000	1,260,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	7.75%	-	400,000,000	400,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	8.60%	-	1,100,000,000	1,100,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	8.72%	-	1,200,000,000	1,200,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	7.85%	-	400,000,000	400,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	8.80%	-	900,000,000	900,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	10.80%	-	1,450,000,000	1,450,000,000	-	-	-	-	-

Name of the investee company	Rate of return per annum	Face value				Balance as at June 30, 2019		Unrealised gain / (loss) on revaluation	Market value as percentage of net assets	Market value as percentage of total investments
		As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Carrying Value	Market Value			
-----Rupees-----										
Pak Brunei Investment Company Limited	10.90%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	10.90%	-	500,000,000	500,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	10.90%	-	500,000,000	500,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	10.90%	-	100,000,000	100,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	12.65%	-	500,000,000	500,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	12.65%	-	500,000,000	500,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	12.65%	-	500,000,000	500,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	12.55%	-	600,000,000	600,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.30%	-	1,320,000,000	1,320,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	7.90%	-	400,000,000	400,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.15%	-	1,260,000,000	1,260,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	7.75%	-	700,000,000	700,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	7.70%	-	800,000,000	800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	8.60%	-	930,000,000	930,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	8.75%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	7.70%	-	850,000,000	850,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	8.50%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	8.25%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.07%	-	1,350,000,000	1,350,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	7.75%	-	800,000,000	800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	7.75%	-	800,000,000	800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	7.70%	-	850,000,000	850,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.00%	-	1,260,000,000	1,260,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.10%	-	1,099,000,000	1,099,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.15%	-	1,550,000,000	1,550,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.65%	-	750,000,000	750,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.65%	-	750,000,000	750,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	11.15%	-	1,600,000,000	1,600,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	10.75%	-	500,000,000	500,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	12.65%	-	1,800,000,000	1,800,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	12.60%	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
MCB Bank Limited	7.80%	-	400,000,000	400,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	7.80%	-	300,000,000	300,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	8.65%	-	1,100,000,000	1,100,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	8.65%	-	100,000,000	100,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	8.90%	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	10.20%	-	1,500,000,000	1,500,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	11.00%	-	1,700,000,000	1,700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	10.95%	-	1,800,000,000	1,800,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	11.00%	-	1,700,000,000	1,700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	11.02%	-	1,700,000,000	1,700,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	12.70%	-	600,000,000	600,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	12.50%	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
Zarai Taraqiati Bank Limited	12.65%	-	1,200,000,000	1,200,000,000	-	-	-	-	-	-
Pak China Investment Company Limited	8.85%	-	600,000,000	600,000,000	-	-	-	-	-	-
Pak China Investment Company Limited	10.30%	-	922,000,000	922,000,000	-	-	-	-	-	-
Pak China Investment Company Limited	10.10%	-	500,000,000	500,000,000	-	-	-	-	-	-
Pak China Investment Company Limited	10.25%	-	800,000,000	800,000,000	-	-	-	-	-	-
Habib Bank Limited	10.10%	-	1,000,000,000	1,000,000,000	-	-	-	-	-	-
Habib Bank Limited	10.50%	-	1,900,000,000	1,900,000,000	-	-	-	-	-	-
Habib Bank Limited	10.55%	-	2,100,000,000	2,100,000,000	-	-	-	-	-	-
Total as at June 30, 2019			64,811,000,000	64,811,000,000	-	-	-	-	-	-
Total as at June 30, 2018			-	-	-	-	-	-	-	-

	Note	2019 ----- (Rupees) -----	2018 -----
5.7 Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net			
Market value of investments		1,810,632,092	-
Less: Carrying value of investments		<u>(1,810,632,092)</u>	<u>-</u>
		<u>-</u>	<u>-</u>

6. PROFIT RECEIVABLE

Profit receivable on:

Short term Sukuks

Bank balance

Term deposit receipts

		13,701,555	-
	6.1	5,444,407	10,298,242
		<u>4,736,983</u>	<u>-</u>
		<u>23,882,945</u>	<u>10,298,242</u>

6.1 It includes accrued profit of Rs. 0.3596 million (2018: 0.575 million) on balance maintained with Bank Alfalah Limited (a related party).

	Note	2019 ----- (Rupees) -----	2018 -----
7. PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	7.1	9,075,342	2,092,266
Sindh sales tax payable on management remuneration	7.2	1,749,117	841,317
Federal excise duty payable on management remuneration	7.3	11,119,352	11,119,352
Sales load payable		<u>522,214</u>	<u>1,321</u>
		<u>22,466,025</u>	<u>14,054,256</u>

7.1 As per the supplemental trust deed dated March 07, 2018, the Management Company has charged remuneration at the rate of 7.5% of the gross earnings of the scheme, calculated on a daily basis which in aggregate is lower than the maximum rate of remuneration permitted under the Rules & Regulations (which is currently restricted to 1% of average annual net assets of the scheme), provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme. The remuneration is paid to the Management Company on a monthly basis in arrears. With effect from September 6, 2018, the management remuneration is charged at 0.45% as per amendment made to the offering document, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations. A further amendment was made to the offering document and management remuneration is charged at 0.6% with effect from May 13, 2019, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations.

7.2 During the year, an amount of Rs. 8.656 million (2018: Rs. 1.961 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 7.748 million (2018: Rs. 1.847 million) has been paid to the Management Company which acts as a collecting agent.

7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 11.119 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.06 (June 30, 2018: Re 0.22) per unit.

8. PAYABLE TO THE TRUSTEE	Note	2019	2018
		----- (Rupees) -----	
Trustee remuneration payable	8.1	1,082,670	351,270
Sindh sales tax payable on trustee remuneration	8.2	141,737	46,656
		<u>1,224,407</u>	<u>397,926</u>

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	0.15% p.a. of net assets
Rs.1 billion to Rs.10 billion	Rs.1.5 million plus 0.075% p.a. of net assets exceeding Rs.1 billion
Over Rs.10 billion	Rs.8.25 million plus 0.06% p.a. of net assets exceeding Rs.10 billion

8.2 During the year, an amount of Rs 1.338 million (2018: Rs. 0.36 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.243 million (2018: Rs. 0.335 million) was paid to the Trustee which acts as a collecting agent.

9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2019	2018
		----- (Rupees) -----	
Annual fee payable to the SECP	9.1	<u>10,185,165</u>	<u>2,017,058</u>

9.1 Under the provisions of the NBFC Regulation, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% (2018: 0.075%) of the annual net assets of the Fund.

10. ACCRUED AND OTHER LIABILITIES	Note	2019	2018
		----- (Rupees) -----	
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1	29,991,326	4,397,773
Auditors' remuneration		155,315	166,806
Capital gains tax		4,952,057	3,601,866
Withholding tax		1,302,296	228,897
Brokerage and settlement charges		430,535	57,658
Printing charges		82,449	35,940
Sales load payable		2,324,014	535,888
Rating fee payable		138,824	176,294
Other payables		3,534,585	36,736
		<u>42,911,401</u>	<u>9,237,858</u>

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

The provision for SWWF is now being made on a daily basis. Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2019 would have been higher by Re.0.16 (2018: Re. 0.09) per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

12. PROFIT / MARK-UP INCOME	2019	2018
	----- (Rupees) -----	
Profit / mark-up income on:		
-Market Treasury Bills	385,823,900	63,544,504
-Letters of placement	222,176,675	-
-Term Deposit Receipts	39,052,740	3,462,891
-Commercial Papers	7,780,164	-
-Short term Sukuks	13,588,099	-
-Bank balances	737,863,285	106,493,154
	<u>1,406,284,863</u>	<u>173,500,549</u>

13. AUDITORS' REMUNERATION

Audit fee	120,000	120,000
Review and other certifications	105,000	105,000
Out of pocket expenses	28,126	28,126
Sindh sales tax	16,875	16,875
	<u>270,001</u>	<u>270,001</u>

14. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 0.92% which includes 0.34% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

16. CASH AND CASH EQUIVALENTS	2019	2018
	----- (Rupees) -----	
Bank balances	16,217,424,788	5,166,589,960
Term Deposit Receipts - with maturity of 3 months or less	1,000,000,000	-
Commercial Papers - with maturity of 3 months or less	347,632,092	-
	<u>17,565,056,880</u>	<u>5,166,589,960</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

Note	2019										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
	(Units)					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Investment Management Limited	17.1.1	2,772,188	919,486	333,191	4,024,865	-	284,816,536	90,075,010	32,543,032	396,797,874	-
Alfalah GHP Prosperity Planning Fund	17.1.1	1,968,385	5,488,328	219,578	7,040,104	636,187	202,233,253	538,100,000	21,421,704	689,359,874	62,315,725
Key management personnel											
Chief executive officer	17.1.1	14,778	57,685	1,628	53,715	20,376	1,518,302	5,676,119	158,964	5,302,169	1,995,868
Chief Operating officer	17.1.1	1,461	15,268	202	1,744	15,187	150,104	1,510,771	19,798	170,567	1,487,596
Chief Financial Officer	17.1.1	1,522	2	81	1,603	2	156,371	168	7,909	157,879	196
Head of Administration	17.1.1	-	5,158	-	5,158	-	-	504,890	-	505,388	-
Head of Operation	17.1.1	2,152	3	265	-	2,420	221,098	273	25,897	-	237,044
Head of Compliance	17.1.1	101	-	6	102	5	10,377	-	555	10,000	490
Head of Corporate Sales	17.1.1	9,927	13,489	967	12,736	11,647	1,019,860	1,330,160	94,413	1,250,000	1,140,846
Head of Human Resources	17.1.1	892	409	73	1,374	-	91,645	40,062	7,118	134,546	-
Vice President - Portfolio Department	17.1.1	2,022	9,410	269	3,664	8,037	207,695	925,000	26,299	360,000	787,239
Vice President - Investor Service Department	17.1.1	361	1	20	381	1	37,152	97	1,879	37,309	98
Unit holder holding 10% or more units											
Fauji Fertilizer Company Limited	17.1.1	-	72,600,333	1,489,097	35,687,188	38,402,242	-	7,131,000,000	145,794,158	3,495,836,777	3,761,572,568

	Note	2018									
		As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
		(Units)					(Rupees)				
Associated companies / undertakings											
Alfalah GHP Investment Management Limited		-	4,258,523	-	1,486,335	2,772,188	-	424,069,795	-	150,000,000	284,816,536
Alfalah GHP Prosperity Planning Fund		62,199	4,537,245	-	2,631,059	1,968,385	746,354,105	446,500,000	-	262,900,000	202,233,253
Key management personnel											
Chief executive officer		-	14,778	-	-	14,778	-	1,500,000	-	-	1,518,302
Chief Operating officer		-	4,754	-	3,293	1,461	-	484,109	-	336,076	150,104
Chief Financial Officer		-	1,522	-	-	1,522	-	154,437	-	-	156,371
Head of Operation		-	4,307	-	2,155	2,152	-	439,660	-	221,333	221,098
Head of Compliance		-	5,673	-	5,572	101	-	576,864	-	570,000	10,377
Head of Sales and Marketing		-	1,316	-	1,316	-	-	134,000	-	134,595	-
Assistant Vice President		-	892	-	-	892	-	90,487	-	-	91,645

17.1.1 This reflects the position of related party / connected persons status as at June 30, 2019.

	2019	2018
	----- (Rupees) -----	
17.2 Other transactions		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration to the Management Company	66,586,525	15,080,321
Sindh sales tax on remuneration of the Management Company	8,656,248	1,960,531
Sales Load	2,541,937	112,802
Alfalsh GHP Income Multiplier Fund		
Market Treasury Bills - purchased	19,838,540	-
Market Treasury Bills - sold	19,588,640	-
Sukuk - purchased	5,000,000	
Alfalsh GHP Sovereign Fund		
Market Treasury Bills - purchased	1,409,584,000	-
Market Treasury Bills - sold	2,782,686,690	-
Alfalsh GHP Capital Preservation Fund II		
Market Treasury Bills - purchased	39,685,000	-
Market Treasury Bills - sold	933,722,940	-
Alfalsh GHP Cash Fund		
Market Treasury Bills - purchased	4,986,940	-
Market Treasury Bills - sold	1,966,320	-
Alfalsh GHP Income Fund		
Market Treasury Bills - purchased	23,806,248	-
Market Treasury Bills - sold	23,524,628	-
Alfalsh GHP Islamic Value Fund		
Sukuk - purchased	8,000,000	
Bank Alfalah Limited		
Profit on bank balances	194,295,656	13,486,959
Profit on Term Deposit Receipts	20,947,397	-
Bank charges	447,924	133,621
Term Deposit Receipts - matured	2,260,000,000	-
Sales load	15,446,449	2,460,716
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	10,295,666	2,767,140
Sindh sales tax on remuneration of the Trustee	1,338,437	359,728
17.3 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration payable to the Management Company	9,075,342	2,092,266
Sales tax payable on management remuneration	1,749,117	841,317
Federal excise duty on management remuneration	11,119,352	11,119,352
Sales load payable	522,214	1,321

	2019	2018
	----- (Rupees) -----	
Bank Alfalah Limited		
Bank balance	454,249,092	654,104,822
Profit receivable	359,564	575,287
Sales load payable	522,214	535,888
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	1,082,670	351,270
Sindh sales tax payable on trustee remuneration	141,737	46,656

18. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as classified at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	16,217,424,788	-	16,217,424,788
Investments	-	1,810,632,092	1,810,632,092
Security deposit	100,000	-	100,000
Profit receivable	23,882,945	-	23,882,945
	<u>16,241,407,733</u>	<u>1,810,632,092</u>	<u>18,052,039,825</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	22,466,025	22,466,025
Payable to the Trustee	-	1,224,407	1,224,407
Accrued and other liabilities	-	6,665,722	6,665,722
	<u>-</u>	<u>30,356,154</u>	<u>30,356,154</u>

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	5,166,589,960	-	5,166,589,960
Profit receivable	10,298,242	-	10,298,242
	<u>5,176,888,202</u>	<u>-</u>	<u>5,176,888,202</u>

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	14,054,256	14,054,256
Payable to the Trustee	-	397,926	397,926
Accrued and other liabilities	-	1,009,322	1,009,322
	<u>-</u>	<u>15,461,504</u>	<u>15,461,504</u>

19. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

19.1.1 Currency risk

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

19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2019	2018
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	<u>16,217,424,788</u>	<u>5,166,589,960</u>
Fixed rate instruments (financial assets)		
Short term sukus	463,000,000	-
Commercial papers	347,632,092	-
Term deposit receipts	<u>1,000,000,000</u>	-
	<u>1,810,632,092</u>	<u>-</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.453 million (2018: Rs. 0.1030 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 1.340 million (2018: Rs. Nil million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the fund investment may change over time. Accordingly, the sensitivity analysis prepared as at 30 June 2019 is not necessarily indicative of the impact on the fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	6.60%-13.60%	16,217,424,788	-	-	-	16,217,424,788
Investments	7.60%-13.30%	1,810,632,092	-	-	-	1,810,632,092
Profit receivable		-	-	-	23,882,945	23,882,945
Security deposits		-	-	-	100,000	100,000
Sub total		18,028,056,880	-	-	23,982,945	18,052,039,825

Financial liabilities

Payable to the Management Company		-	-	-	22,466,025	22,466,025
Payable to the Trustee		-	-	-	1,224,407	1,224,407
Accrued and other liabilities		-	-	-	6,665,722	6,665,722
Sub total		-	-	-	30,356,154	30,356,154

On-balance sheet gap

	18,028,056,880	-	-	(6,373,209)	18,021,683,671
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Total interest rate sensitivity gap

	18,028,056,880	-	-	(6,373,209)	18,021,683,671
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Cumulative interest rate sensitivity gap

	18,028,056,880	18,028,056,880	18,028,056,880
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Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest 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	5.30%-7.35%	5,166,589,960	-	-	-	5,166,589,960
Profit receivable		-	-	-	10,298,242	10,298,242
Sub total		5,166,589,960	-	-	10,298,242	5,176,888,202

Financial liabilities

Payable to the Management Company		-	-	-	14,054,256	14,054,256
Payable to the Trustee		-	-	-	397,926	397,926
Accrued and other liabilities		-	-	-	1,009,322	1,009,322
Sub Total		-	-	-	15,461,504	15,461,504

On-balance sheet gap

	5,166,589,960	-	-	(5,163,262)	5,161,426,698
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Total interest rate sensitivity gap

	5,166,589,960	-	-	(5,163,262)	5,161,426,698
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Cumulative interest rate sensitivity gap

	5,166,589,960	5,166,589,960	5,166,589,960
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Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at reporting date, the Fund is not exposed to price risk.

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	16,217,424,788	16,217,424,788	5,166,589,960	5,166,589,960
Investments	1,810,632,092	1,810,632,092	-	-
Profit receivable	23,882,945	23,882,945	10,298,242	10,298,242
Security deposits	100,000	100,000	-	-
	<u>18,052,039,825</u>	<u>18,052,039,825</u>	<u>5,176,888,202</u>	<u>5,176,888,202</u>

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Bank	Rating agency	Rating	2019	2018
			Percentage of total bank balance	
Allied Bank Limited	PACRA	A1+	49.83%	15.70%
Bank AL Habib Limited	JCR-VIS	A1+	-	-
Bank Alfalah Limited	PACRA	A1+	2.80%	12.66%
Habib Bank Limited	JCR-VIS	A1+	47.30%	71.62%
Habib Metropolitan Bank Limited	JCR-VIS	A1+	-	-
MCB Bank Limited	PACRA	A1+	-	-
National Bank of Pakistan	JCR-VIS	A1+	0.01%	0.01%
Samba Bank Limited	JCR-VIS	A1	0.05%	-
Zarai Taraqjati Bank Limited	JCR-VIS	A1+	-	-
Central Depository Company of Pakistan Limited	N/A	N/A	-	-
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of the Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2019		2018	
	Rupees	%	Rupees	%
Commercial banks (including TDR and profit receivable)	17,222,869,195	95.43%	5,176,888,202	100.00%
Short term Sukuk (including profit receivable)	476,701,555	2.64%	-	-
Commercial Papers	347,632,092	1.93%	-	-
Central Depository Company of Pakistan Limited	100,000	-	-	-
	<u>18,047,302,842</u>	<u>100.00%</u>	<u>5,176,888,202</u>	<u>100.00%</u>

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	16,217,424,788	-	-	-	16,217,424,788
Investments	1,347,632,092	463,000,000	-	-	1,810,632,092
Profit receivable	23,882,945	-	-	-	23,882,945
Security deposits	100,000	-	-	-	100,000
	<u>17,589,039,825</u>	<u>463,000,000</u>	<u>-</u>	<u>-</u>	<u>18,052,039,825</u>
Financial liabilities					
Payable to the Management Company	22,466,025	-	-	-	22,466,025
Payable to the Trustee	1,224,407	-	-	-	1,224,407
Accrued and other liabilities	6,665,722	-	-	-	6,665,722
	<u>30,356,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,356,154</u>
Net assets	<u>17,558,683,671</u>	<u>463,000,000</u>	<u>-</u>	<u>-</u>	<u>18,021,683,671</u>
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	5,166,589,960	-	-	-	5,166,589,960
Profit receivable	10,298,242	-	-	-	10,298,242
	<u>5,176,888,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,176,888,202</u>
Financial liabilities					
Payable to the Management Company	14,054,256	-	-	-	14,054,256
Payable to the Trustee	397,926	-	-	-	397,926
Accrued and other liabilities	842,516	166,806	-	-	1,009,322
	<u>15,294,698</u>	<u>166,806</u>	<u>-</u>	<u>-</u>	<u>15,461,504</u>
Net assets	<u>5,161,593,504</u>	<u>(166,806)</u>	<u>-</u>	<u>-</u>	<u>5,161,426,698</u>

19.4 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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); and

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

As at June 30, 2019, the Fund held the following assets measured at fair values:

	2019			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets at fair value through profit or loss				
Term deposit receipt*	-	1,000,000,000	-	1,000,000,000
Commercial Papers**	-	347,632,092	-	347,632,092
Short Term Sukuks**	-	463,000,000	-	463,000,000
	<u>-</u>	<u>1,810,632,092</u>	<u>-</u>	<u>1,810,632,092</u>

As at June 30, 2018, the Fund did not hold any financial assets which were carried or disclosed at fair value.

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

**The valuation of commercial papers and short term sukuku has been done based on amortisation of commercial paper and short term sukuku to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit Holders' Fund Risk Management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs 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 Management 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 as 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's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

21. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23. GENERAL

Figures are rounded off to the nearest rupee.

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.



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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1,867	54,297,793	5,318,570,652	30%
Associated Co./ Directors	1	20,601	2,019,246	0%
Insurance Co.	1	10,066	985,947	0%
Banks/ DFIs	4	4,252,581	416,548,402	2%
Retirement & Other Funds	45	7,482,707	732,945,360	4%
Others	63	117,447,206	11,504,183,221	64%
	1981	183,510,954	17,975,252,827	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	418	14,445,203	1,484,109,034	29%
Associated Co./ Directors	2	2,772,188	284,816,533	6%
Insurance Co.	5	905,695	93,051,735	2%
Banks/ DFIs	1	2,434,799	250,152,906	5%
Retirement & Other Funds	23	3,483,451	357,892,167	7%
Others	30	26,096,366	2,681,158,729	52%
	479	50,137,701	5,151,181,104	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June
	2019
	%
Bright Capital Private Limited	41%
Paramount Capital (Pvt) Limited	13%
Magenta Capital Private Limited	11%
Continental Exchange (Pvt) Limited	9%
Invest One Markets Limited	8%
BIPL Securities Limited	6%
C & M Management Limited	5%
Vector Capital (Pvt.) Limited	3%
Summit Capital (Pvt) Limited	1%
JS Global Capital Limited	1%
	30 June
	2018
	%
Bright Capital Private Limited	21
Invest Capital Markets Limited	20
BMA Capital Management Limited	18
Invest One Markets Limited	18
BIPL Securities	5
Summit Capital Private Limited	4
Pearl Securities	4
EFG Hermes Pakistan Limited	4
ICON Securities (Pvt) Limited	2
Next Capital Limited	2

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGHPMMF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
	(Rupees in '000)				
Net Assets	17,975,253	5,151,181	1,240,143	3,850,040	2,785,865
NAV per unit	97.9519	102.7407	97.4166	98.2198	100.8185
Selling price per unit	99.0588	103.9017	98.5174	99.5187	102.1634
Redemption price per unit	97.9519	102.7407	97.4166	98.2198	100.8185
Highest selling price per unit	100.1671	103.8842	104.9178	107.5894	110.5954
Highest redemption price per unit	99.0479	102.7407	103.7455	106.1852	109.1395
Lowest selling price per unit	98.6027	98.5988	98.5174	99.4854	102.0795
Lowest redemption price per unit	97.5009	97.4971	97.4166	98.1870	100.7357
1st interim distribution per unit	1.4682	-	6.3483	8.0288	8.8576
1st distribution date	28-Sep-18	-	16-Jun-17	22-Jun-16	23-Jun-15
2nd interim distribution per unit	0.5335	N/A	N/A	N/A	N/A
2nd distribution date	26-Oct-18	N/A	N/A	N/A	N/A
3rd interim distribution per unit	0.6324	N/A	N/A	N/A	N/A
3rd distribution date	29-Nov-18	N/A	N/A	N/A	N/A
4th interim distribution per unit	0.6101	N/A	N/A	N/A	N/A
4th distribution date	27-Dec-18	N/A	N/A	N/A	N/A
5th interim distribution per unit	0.7672	N/A	N/A	N/A	N/A
5th distribution date	29-Jan-19	N/A	N/A	N/A	N/A
6th interim distribution per unit	0.6476	N/A	N/A	N/A	N/A
6th distribution date	27-Feb-19	N/A	N/A	N/A	N/A
7th interim distribution per unit	0.7472	N/A	N/A	N/A	N/A
7th distribution date	29-Mar-19	N/A	N/A	N/A	N/A
8th interim distribution per unit	0.6853	N/A	N/A	N/A	N/A
8th distribution date	29-Apr-19	N/A	N/A	N/A	N/A
9th interim distribution per unit	0.7794	N/A	N/A	N/A	N/A
9th distribution date	31-May-19	N/A	N/A	N/A	N/A
Final distribution per unit	1.2000	5.3241	Nil	Nil	Nil
Final distribution date	30-Jun-19	2-Jul-18	N/A	N/A	N/A
Annualized returns %	9.15%	5.46%	5.65%	5.37%	8.73%
Income distribution %	7.86%	5.47%	6.46%	7.96%	8.78%
Weighted avg. portfolio duration (Days)	6 Day	1 Day	4 Days	13 Days	66 Days

Return since inception is **8.41%**

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



**Alfalah
Ghp Sovereign Fund**

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

Alfalah GHP Sovereign Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme
Category of Fund: Income Scheme

Investment Objective

The objective of the AGSOF is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments

Accomplishment of Objective

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

Money Market Review:-

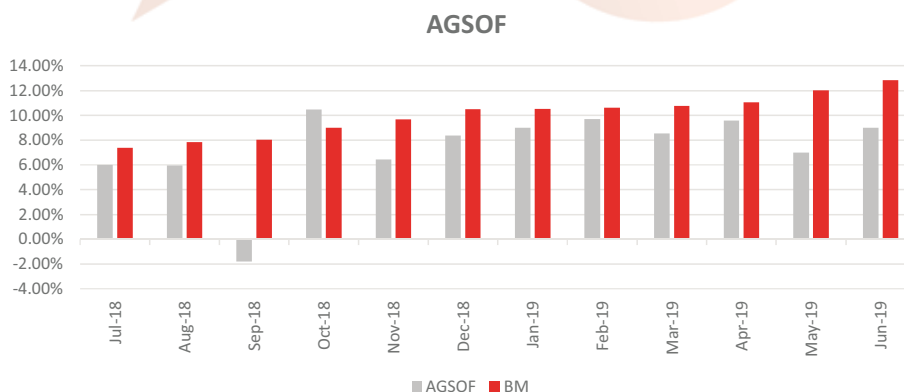
Pakistan's GDP posted a growth of 3.3% in FY19 as compared to 5.5% in FY18. Headline inflation rose up to 7.3% as compared to 3.9% in the same period last year. However, the CPI last quarter spiked up to 8.9% owing to the hike in oil prices and hefty depreciation of PKR which fell by 13.7% by the end of quarter. Measures taken by the incumbent government in order to control twin deficits in form of currency depreciation and monetary tightening started to bear fruit during the last quarter of the fiscal year.

The yield curve shifted upwards during the fiscal year due to continued expectation of monetary tightening as a result majority of the bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. During the year, the central bank was able to fetch PKR 18 trillion with majority of the participation witnessed in 3 month tenor. Through PIBs, the central bank was able to fetch PKR 708 billion against the target of PKR 800 billion with majority of the participation witnessed in 3 years followed by 5 years and 10 years.

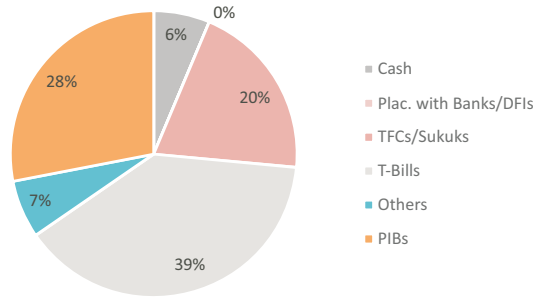
Going forward, the recent statement from monetary policy committee suggests that the adjustments related to interest rates and the exchange rate from the previously accumulated imbalances has taken place, however any unanticipated increases in inflation that adversely affect the inflation outlook may lead to further modest tightening.

Fund Performance

For the year ended June 30 2019, the fund posted a return of 12.58% against the benchmark of 13.39%. The fund maintained a balanced portfolio in government securities and deposits with higher credit rating bank deposits/placements in order to generate stable returns. During the period fund WAM was kept on lower end in order to avoid volatility.



Asset Allocation
(as at June 2019)



Credit Quality (as % of Total Assets)

Govt. Secs.	66.96%	A	0.00%
AAA	5.18%	A-	0.00%
AA+	3.90%	BBB+	0.00%
AA	0.01%	BBB	0.00%
AA-	17.40%	Below IG	0.00%
A+	0.00%	NR/UR/MTS	6.55%

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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Email: info@cdc.pk



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP SOVEREIGN 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 Sovereign Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Sovereign Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Sovereign Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The investments and bank balances constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 712,522 million and bank balances aggregated to Rs 433,838 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other matter

The financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 24, 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Assets			
Bank balances	4	433,838,373	754,161,184
Investments	5	712,522,334	735,477,654
Preliminary expenses and floatation cost	6	-	329,857
Advances, prepayments and mark-up receivable	7	13,025,160	10,658,343
Receivable against sale of investments	8	46,019,662	-
Total assets		<u>1,205,405,529</u>	<u>1,500,627,038</u>
Liabilities			
Payable to the Management Company	9	23,906,029	22,754,088
Payable to the Trustee	10	99,243	132,812
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	644,138	931,632
Payable against purchase of investments	12	220,059,656	626,295,180
Accrued and other liabilities	13	17,047,708	12,994,361
Total liabilities		<u>261,756,774</u>	<u>663,108,073</u>
Net assets attributable to the unit holders		<u>943,648,755</u>	<u>837,518,965</u>
Unit holders' fund (as per the statement attached)		<u>943,648,755</u>	<u>837,518,965</u>
Contingencies and commitments	14	----- (Number of units) -----	
Number of units in issue		<u>8,874,972</u>	<u>7,544,879</u>
Net asset value per unit		<u>106.3270</u>	<u>111.0050</u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018 -----
Income			
Profit / mark up income	15	88,330,528	81,563,447
Loss on sale of investments - net		(2,949,614)	(1,144,851)
Unrealised loss on revaluation of investments classified as financial assets at fair value through profit or loss' - net		(2,304,121)	(116,223)
Other income		51,661	681,215
Total income		83,128,454	80,983,588
Expenses			
Remuneration of the Management Company	9.1	8,439,532	11,457,735
Sindh sales tax on remuneration of the Management Company	9.2	1,094,698	1,489,514
Remuneration of the Trustee	10.1	1,269,870	1,677,628
Sindh sales tax on remuneration of the Trustee	10.2	165,085	218,088
Annual fee to Securities and Exchange Commission of Pakistan	11.1	644,138	931,632
Brokerage expense		172,933	143,461
Bank and settlement charges		423,902	188,588
Auditors' remuneration	16	339,921	270,777
Annual listing fee		27,402	37,546
Annual rating fee		338,803	308,425
Printing charges		70,005	70,057
Allocated expenses	9.4	858,866	1,242,127
Selling and Marketing expenses	9.5	2,740,581	258,160
Amortisation of preliminary expenses and floatation cost	6	329,857	383,471
Amortisation of MTS annual charges		250,025	250,000
Provision for Sindh Workers' Welfare Fund	13.1	2,887,366	2,173,018
Total expenses		20,052,984	21,100,227
Net income for the year before taxation		63,075,470	59,883,361
Taxation	19	-	-
Net income for the year after taxation		63,075,470	59,883,361
Allocation of net income for the year			
Net income for the year after taxation		63,075,470	59,883,361
Income already paid on units redeemed		(24,699,249)	(35,086,227)
Accounting income available for distribution		38,376,221	24,797,134
- Relating to capital gains		-	-
- Excluding capital gains		38,376,221	24,797,134

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Net income for the year after taxation	63,075,470	59,883,361
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>63,075,470</u>	<u>59,883,361</u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Undistribut ed income	Total	Capital value	Undistribut ed income	Total
	Rupees			Rupees		
Net assets at the beginning of the year	749,573,853	87,945,112	837,518,965	1,158,202,657	63,147,978	1,221,350,635
Issuance of 26,210,474 units (2018: 13,769,819 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,771,983,036	-	2,771,983,036	1,456,276,780	-	1,456,276,780
- Element of income	60,039,403	-	60,039,403	34,385,075	-	34,385,075
Total proceeds on issuance of units	2,832,022,439	-	2,832,022,439	1,490,661,855	-	1,490,661,855
Redemption of 24,880,381 units (2018: 17,773,416 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,631,314,262	-	2,631,314,262	1,879,691,593	-	1,879,691,593
- Element of loss	42,708,817	24,699,249	67,408,066	19,599,066	35,086,227	54,685,293
Total payments on redemption of units	2,674,023,079	24,699,249	2,698,722,328	1,899,290,659	35,086,227	1,934,376,886
Total comprehensive income for the year	-	63,075,470	63,075,470	-	59,883,361	59,883,361
Final distribution for the year ended June 30, 2018 on July 4, 2018 @ Rs. 5.2464 per unit	(14,786,064)	(24,797,388)	(39,583,452)	-	-	-
Interim distribution for the year on March 29, 2019 @ Rs. 5.1152 per unit	(6,710,599)	(23,660,306)	(30,370,905)	-	-	-
Final distribution for the year ended June 30, 2019 on June 30, 2019 @ Rs. 2.3296 per unit	(6,831,000)	(13,460,434)	(20,291,434)	-	-	-
Total distribution during the year	(28,327,663)	(61,918,128)	(90,245,791)	-	59,883,361	59,883,361
Net assets at the end of the year	879,245,550	64,403,205	943,648,755	749,573,853	87,945,112	837,518,965
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income	88,061,335			62,939,200		
- Unrealised (loss) / income	(116,223)			208,778		
	87,945,112			63,147,978		
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	38,376,221			24,797,134		
	38,376,221			24,797,134		
Final distribution for the year ended June 30, 2018 on July 4, 2018 @ Rs. 5.2464 per unit	(24,797,388)			-		
Interim distribution for the year on March 29, 2019 @ Rs. 5.1152 per unit	(23,660,306)			-		
Final distribution for the year ended June 30, 2019 on June 30, 2019 @ Rs. 2.3296 per unit	(13,460,434)			-		
Undistributed income carried forward	<u>64,403,205</u>			<u>87,945,112</u>		
Undistributed income carried forward						
- Realised income	66,707,326			88,061,335		
- Unrealised loss	(2,304,121)			(116,223)		
	<u>64,403,205</u>			<u>87,945,112</u>		
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			<u>111.0050</u>			<u>105.7586</u>
Net asset value per unit at the end of the year			<u>106.3270</u>			<u>111.0050</u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		63,075,470	59,883,361
Adjustments for:			
Amortisation of preliminary expenses and floatation cost		329,857	383,471
Provision for Sindh Workers' Welfare Fund		2,887,366	2,173,018
Unrealised loss on revaluation of investments classified as financial assets at fair value through profit or loss' - net		2,304,121	116,223
		68,596,814	62,556,073
Decrease / (increase) in assets			
Investments - net		(62,613,533)	939,553,785
Advances, prepayments and mark-up receivable		(2,366,817)	(2,896,877)
Receivable against sale of investments		(46,019,662)	-
		(111,000,012)	936,656,908
Increase / (decrease) in liabilities			
Payable to the Management Company		1,151,941	(597,084)
Payable to the Trustee		(33,569)	(30,934)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(287,494)	(1,399,431)
Payable against purchase of investments		(406,235,524)	626,295,180
Accrued and other liabilities		1,165,981	(8,020,649)
		(404,238,665)	616,247,082
Net cash (used in) / generated from operating activities		(446,641,863)	1,615,460,063
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units (net of refund of element)		2,803,694,776	1,490,661,855
Payments made against redemption of units		(2,698,722,328)	(1,934,376,886)
Dividend paid		(61,918,128)	-
Net cash generated from / (used in) financing activities		43,054,320	(443,715,031)
Net (decrease) / increase in cash and cash equivalents during the year		(403,587,543)	1,171,745,032
Cash and cash equivalents at beginning of the year		1,352,602,984	180,857,952
Cash and cash equivalents at end of the year	17	949,015,441	1,352,602,984

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Sovereign Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered May 6, 2014 between Alfalah GHP Investment Management Limited, (the Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen city, Block 4, Clifton, Karachi.

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

According to the trust deed, the objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned AM2+ (positive outlook) to the Management Company in its rating report dated August 9, 2019, and stability rating of AA-(f) to the Fund in its credit rating report dated April 17, 2019.

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

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in current year

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

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

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The

Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in equity securities as a group of assets and hence classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date accounting periods beginning on or after)
IFRS 9 - 'Financial instruments' (amendment)	January 01, 2019
IAS 1 - 'Presentation of financial statements' (amendment)	January 01, 2020
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 01, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.6 and 19)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments classified at 'financial assets at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for as disclosed in note 2.2.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

b) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

The Fund can only invest in equity securities for the purpose of spread transactions.

3.2.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non Banking Finance Companies and Notified Entities Regulations, 2008.

3.8 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.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as 'at fair value through profit or loss' are recognised in the income statement in the period in which they arise.

- Unrealised gains or losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income on Government securities is recognised on a time proportionate basis using the effective yield method.
- Profit / mark-up on bank balances and debt securities is recognised on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the Pension Fund Manager, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

3.15 Margin Trading System

Transactions of purchase under Margin Trading System (MTS) of marketable securities are entered into contracted rates for specified periods of time. Securities purchased under MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreements is recognised as receivable in respect of MTS. Profit is recognised on an accrual basis using the effective interest method. Cash releases are adjusted against the receivable as a reduction in the amount of receivable. The maximum maturity of an MTS contract is 60 calendar days out of which 25 percent exposure is automatically released at expiry of every 15th day from the date of contract.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
4. BANK BALANCES			
Balances with banks in:			
Saving accounts	4.1	433,838,373	754,161,184
		<u>433,838,373</u>	<u>754,161,184</u>

- 4.1 These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 6.80% to 13.60% (2018: 4.00% to 7.40%) per annum. It includes bank balance of Rs. 58.644 million (2018: Rs.32.055 million) maintained with Bank Alfalah Limited (a related party).

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
5. INVESTMENTS			
At fair value through profit or loss			
Market Treasury Bills	5.1	515,177,068	598,441,800
Pakistan Investment Bonds	5.2	88,834,536	-
Term Finance Certificates	5.3	108,510,730	137,035,854
		<u>712,522,334</u>	<u>735,477,654</u>

5.1 Market Treasury bills

Particulars	Face value				Carrying value as at June 30, 2019	Market value as at June 30, 2019	Net unrealised loss on revaluation of investments	Market value as a percentage of		
	As at July 01, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019				net assets	total investment	
	----- (Rupees) -----									
Market Treasury Bills - 3 months	600,000,000	27,471,000,000	27,549,000,000	522,000,000	515,287,281	515,177,068	(110,213)	54.59%	72.30%	
Total as at June 30, 2019	<u>600,000,000</u>	<u>27,471,000,000</u>	<u>27,549,000,000</u>	<u>522,000,000</u>	<u>515,287,281</u>	<u>515,177,068</u>	<u>(110,213)</u>			
Total as at June 30, 2018	<u>860,000,000</u>	<u>44,375,000,000</u>	<u>44,635,000,000</u>	<u>600,000,000</u>	<u>598,462,200</u>	<u>598,441,800</u>	<u>(20,400)</u>			

5.2 Pakistan Investment Bonds

Particulars	Face value				Carrying value as at June 30, 2019	Market value as at June 30, 2019	Net unrealised loss on revaluation of investments	Market value as a percentage of	
	As at July 01, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019				net assets	total investment
----- (Rupees) -----									
Pakistan Investment Bonds - 3 years	-	945,000,000	845,000,000	100,000,000	89,414,605	88,834,536	(580,069)	9.41%	12.47%
Total as at June 30, 2019	-	945,000,000	845,000,000	100,000,000	89,414,605	88,834,536	(580,069)		
Total as at June 30, 2018	-	3,535,000,000	3,535,000,000	-	-	-	-		

5.2.1 These carry purchase yield of 7.25% (2018: Nil per annum). These have maturity upto July 12, 2021 (2018: Nil).

5.3 Term Finance Certificates

Name of the investee company	Note	Secured / Unsecured	Face value				Carrying value as at June 30, 2019	Market value as at June 30, 2019	Net unrealised loss on revaluation of investments	Market value as a percentage of	
			As at July 01, 2018	Purchased during the year	Sold / matured during the year	As at June 30, 2019				net assets	total investment
----- (Rupees) -----											
Term finance certificates - unlisted											
Habib Bank Limited	5.3.1	Secured	27,413,060	-	9,998,960	17,414,100	17,161,769	17,104,964	(56,805)	1.81%	2.40%
The Bank of Punjab Limited	5.3.2	Secured	110,000,000	-	16,849,000	93,151,000	92,962,800	91,405,766	(1,557,034)	9.69%	12.83%
Total as at June 30, 2019			137,413,060	-	26,847,960	110,565,100	110,124,569	108,510,730	(1,613,839)		
Total as at June 30, 2018			224,956,000	137,378,080	224,921,020	137,413,060	137,131,677	137,035,854	(95,823)		

5.3.1 These Term Finance Certificates have face value of Rs. 99,880 each carrying rate of return of 6 Months KIBOR+0.50% per annum and will mature on February 19, 2026.

5.3.2 These Term Finance Certificates have face value of Rs. 99,960 each carrying rate of return of 6 Months KIBOR+1.25% per annum and will mature on April 23, 2028.

5.4 Term Deposit Receipts

Name of the investee company	Rate of return per annum	Face value				Balance as at June 30, 2019		Unrealised gain / (loss) on revaluation	Market value as a percentage of	
		As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Carrying value	Market value		net assets	total investment
----- (Rupees) -----										
JS Bank Limited	8.15%	-	90,000,000	90,000,000	-	-	-	-	-	-
JS Bank Limited	8.75%	-	105,000,000	105,000,000	-	-	-	-	-	-
JS Bank Limited	9.20%	-	85,000,000	85,000,000	-	-	-	-	-	-
JS Bank Limited	11.15%	-	90,000,000	90,000,000	-	-	-	-	-	-
JS Bank Limited	11.15%	-	90,000,000	90,000,000	-	-	-	-	-	-
Total as at June 30, 2019		-	460,000,000	460,000,000	-	-	-	-	-	-
Total as at June 30, 2018		-	100,000,000	100,000,000	-	-	-	-	-	-

	Note	2019	2018
----- (Rupees) -----			
6. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Preliminary expenses and floatation costs incurred		329,857	713,328
Less: amortisation during the year	6.1	(329,857)	(383,471)
At the end of the year		<u>-</u>	<u>329,857</u>

6.1 This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses were being amortised over a period of five years effective from May 10, 2014, i.e. after the end of initial period of the Fund.

	Note	2019	2018
----- (Rupees) -----			
7. ADVANCES, PREPAYMENTS AND MARK-UP RECEIVABLE			
Advances and deposits			
- Advance against MTS - National Clearing Company of Pakistan Limited		250,000	250,000
- Advance against TFC exposure		2,937,357	2,937,357
- Other deposits		100,000	100,000
Prepayments:			
- PACRA rating fee		92,727	-
Mark-up receivable on:			
- Bank balances	7.1	3,184,913	5,046,789
- Term Finance Certificates		2,904,535	2,310,811
- Pakistan Investment Bonds		3,402,179	-
Advance tax	7.2	153,449	13,386
		<u>13,025,160</u>	<u>10,658,343</u>

7.1 It includes accrued markup of Rs. 0.978 million (2018: Rs 0.03 million) receivable from Bank Alfalah Limited (a related party).

7.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on bank deposits amounts to Rs 0.153 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8. RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents amounts receivable against sale of investments. These amounts have been received subsequent to the year end.

	Note	2019	2018
----- (Rupees) -----			
9. PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	9.1	706,419	568,796
Sindh sales tax payable on management remuneration	9.2	2,543,445	2,527,992
Federal excise duty payable on management remuneration	9.3	18,099,657	18,099,657
Preliminary expenses and floatation costs payable		5,000	5,000
Sales load payable		628,612	628,612
Payable against allocated expenses	9.4	274,982	615,871
Payable against selling and marketing expenses	9.5	1,597,914	258,160
Other payables		50,000	50,000
		<u>23,906,029</u>	<u>22,754,088</u>

- 9.1 The Management Company shall charge a fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (which is currently restricted to 1.5% of average Annual Net Assets of the Scheme) provided that Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.
- 9.2 During the year, an amount of Rs. 1.095 million (2018: Rs. 1.489 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.079 million (2018: Rs. 1.566 million) has been paid to the Management Company which acts as a collecting agent.
- 9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 18.099 million is being retained in the financial statements of the Fund as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 2.04 (2018: Rs 2.39) per unit.

- 9.4 Until June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year in accordance with the relevant regulation.

10. PAYABLE TO THE TRUSTEE	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Trustee Remuneration payable	10.1	87,827	117,536
Sindh sales tax payable on trustee remuneration	10.2	11,416	15,276
		<u>99,243</u>	<u>132,812</u>

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	0.15% p.a. of net assets
Rs 1 billion to Rs 10 billion	Rs.1.5 million plus 0.075% p.a. of net assets exceeding Rs.1 billion.
Over Rs.10 billion	Rs. 8.25 million plus 0.06% p.a. of net assets exceeding Rs.10 billion.

- 10.2 During the year, an amount of Rs 0.165 million (2018: Rs. 0.218 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.169 million (2018: Rs. 0.222 million) was paid to the Trustee which acts as a collecting agent. Sindh sales tax on trustee remuneration has been charged at 13% (2018: 13%) .

11. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Annual fee payable to the SECP	11.1	<u>644,138</u>	<u>931,632</u>

- 11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075% (2018: 0.075%) of the annual net assets of the Fund.

12. PAYABLE AGAINST PURCHASE OF INVESTMENTS

This represents amounts payable against purchase of investments. These amounts have been paid subsequent to the year end.

13. ACCRUED AND OTHER LIABILITIES	Note	2019	2018
		----- (Rupees) -----	
Withholding tax and capital gain tax payable		1,599,665	616,083
Auditors' remuneration		268,227	209,798
Brokerage payable		24,349	21,662
Printing charges payable		96,957	28,247
Annual rating fee		255,270	156,746
Annual listing fee		9,948	10,046
Dividend Payable		-	-
Provision for Sindh Workers' Welfare Fund	13.1	6,951,142	4,063,776
Sales load payable		7,842,150	7,888,003
		<u>17,047,708</u>	<u>12,994,361</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.78 (2018: Re. 0.54) per unit.

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

15. PROFIT / MARK UP INCOME	2019	2018
	----- (Rupees) -----	
Profit / mark up income on:		
Market Treasury Bills	26,408,452	21,135,370
Pakistan investment bonds	4,559,083	-
Term Finance Certificate	11,946,975	10,375,553
MTS income	2,839,633	76,650
Term deposit receipts	4,568,994	825,616
Bank deposits	38,007,391	49,150,258
	<u>88,330,528</u>	<u>81,563,447</u>

16. AUDITORS' REMUNERATION

Audit fee	160,000	120,000
Other certification and services	125,000	109,795
	285,000	229,795
Out of pocket expenses	29,742	22,598
Sindh sales tax	25,179	18,384
	<u>339,921</u>	<u>270,777</u>

17. CASH AND CASH EQUIVALENTS

Bank balances	433,838,373	754,161,184
Treasury Bill maturing within 3 months	515,177,068	598,441,800
	<u>949,015,441</u>	<u>1,352,602,984</u>

18. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 2.33% which includes 0.56% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

19. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue/net assets of the Fund. The transactions with connected persons are in the normal course of business and at contractual rates.

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

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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:

20.1 Unit Holders' Fund

Particulars	Note	2019									
		As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed/ conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019
		----- (Units) -----					----- (Rupees) -----				
Associated companies / undertakings											
CDC - Trustee Alfalah GHP Conservative Plan	20.1.1	50,561	2,107,690	30,428	1,920,399	268,280	5,612,524	224,739,458	3,233,935	205,222,846	28,525,408
CDC - Trustee Alfalah GHP Moderate Plan	20.1.1	147,463	4,421,578	74,810	3,788,506	855,345	16,369,130	471,436,147	7,950,193	405,199,266	90,946,268
CDC - Trustee Alfalah GHP Active Allocation Plan	20.1.1	162,695	641,155	10,907	814,523	234	18,059,958	68,240,444	1,155,164	87,193,237	24,881
Management Company											
Alfalah GHP Investment Management Limited	20.1.1	4,542	3,930,593	114,784	-	4,049,919	504,185	426,527,298	12,204,580	-	430,615,738

Particulars	2018									
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed/ conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018

(Units)

(Rupees)

Associated companies / undertakings

CDC-Trustee Alfalah GHP

Conservative Plan	214,222	69,551	-	233,212	50,561	22,655,819	7,500,000	-	25,000,000	5,612,524
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CDC-Trustee Alfalah GHP

Moderate Plan	1,470,886	316,034	-	1,639,457	147,463	155,558,844	34,000,000	-	174,500,000	16,369,130
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CDC-Trustee Alfalah GHP

Active Allocation Plan	1,853	327,886	-	167,044	162,695	195,971	35,000,000	-	18,000,000	18,059,958
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Management Company

Alfalah GHP Investment

Management Limited	377,780	-	-	373,238	4,542	39,953,484	-	-	40,000,000	504,185
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Key management personnel

Head of Sales & Marketing

	-	3	-	-	3	-	277	-	-	333
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Unit holder holding 10% or more units

Fauji Fertilizer Bin Qasim Limited

	-	909,873	-	-	909,873	-	100,000,000	-	-	101,000,452
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20.1.1 This reflects the position of related party / connected person status as at June 30, 2019.

20.2 Other transactions**Associated companies / undertakings****2019****2018**

(Rupees)

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company

8,439,532

11,457,735

Sindh sales tax on remuneration of the Management Company

1,094,698

1,489,514

Allocated expenses

858,866

1,242,127

Selling and Marketing expenses

2,740,581

258,160

Bank Alfalah Limited

Mark-up on bank deposits

2,705,118

1,211,664

Sales load

459,133

2,090,590

Bank charges

49,316

39,381

Market Treasury Bills - purchased

820,058,705

-

Market Treasury Bills - sold

-

247,060,000

Alfalah GHP Money Market Fund

Market Treasury Bills - purchased

2,782,686,690

-

Market Treasury Bills - sold

1,409,584,000

-

Alfalah GHP Income Multiplier Fund

Market Treasury Bills - sold

20,700,372

-

Alfalah GHP Cash Fund

Market Treasury Bills - purchased

114,379,375

-

Market Treasury Bills - sold

115,886,338

-

Alfalah GHP Income Fund

Market Treasury Bills - sold

29,602,970

-

Pakistan Investment Bonds -purchased

89,697,150

-

	2019	2018
	----- (Rupees) -----	
Alfalah Capital Preservation Fund II		
Market Treasury Bills - purchased	1,292,103,800	-
Market Treasury Bills - sold	391,902,400	-
Pakistan Investment Bonds - Sold	49,347,500	-
Alfalah GHP Value Fund		
Market Treasury Bills - purchased	392,822,400	-
Market Treasury Bills - sold	141,762,576	-
Pakistan Investment Bonds - Sold	44,834,450	-
Alfalah GHP Income Fund		
Pakistan Investment Bonds - purchased	89,697,150	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,269,870	1,677,628
Sindh sales tax on Trustee fee	165,085	218,088
Security deposits	100,000	100,000
CDC charges	95,384	16,214
20.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	706,419	568,796
Sindh sales tax payable on management remuneration	2,543,445	2,527,992
Federal excise duty on management remuneration	18,099,657	18,099,657
Formation cost payable	5,000	5,000
Sales load payable	628,612	628,612
Other payables	50,000	50,000
Payable against allocated expenses	274,982	615,871
Selling and marketing expenses payable	1,597,914	258,160
Bank Alfalah Limited		
Bank balance	58,644,167	32,055,891
Mark-up receivable	978,187	31,323
Sales load payable	7,842,150	7,888,003
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	87,827	117,536
Sindh sales tax on Trustee fee	11,416	15,276
Security deposit	100,000	100,000

21. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	433,838,373	-	433,838,373
Investments	-	712,522,334	712,522,334
Advances and mark-up receivable	12,778,984	-	12,778,984
Receivable against sale of investments	46,019,662	-	46,019,662
	<u>492,637,019</u>	<u>712,522,334</u>	<u>1,205,159,353</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	23,906,029	-	23,906,029
Payable to the Trustee	99,243	-	99,243
Payable against purchase of investments	220,059,656	-	220,059,656
Accrued and other liabilities	8,496,901	-	8,496,901
	<u>252,561,829</u>	<u>-</u>	<u>252,561,829</u>

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	754,161,184	-	754,161,184
Investments	-	735,477,654	735,477,654
Advances and mark-up receivable	10,644,957	-	10,644,957
	<u>764,806,141</u>	<u>735,477,654</u>	<u>1,500,283,795</u>

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	22,754,088	-	22,754,088
Payable to the Trustee	132,812	-	132,812
Payable against purchase of investments	626,295,180	-	626,295,180
Accrued and other liabilities	8,314,502	-	8,314,502
	<u>657,496,582</u>	<u>-</u>	<u>657,496,582</u>

22. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

22.1.1 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 currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

22.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2019	2018
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	433,838,373	754,161,184
Term Finance Certificates	108,510,730	137,035,854
	<u>542,349,103</u>	<u>891,197,038</u>
Fixed rate instruments (financial assets)		
Market treasury bills	515,177,068	598,441,800
Pakistan Investment Bonds	88,834,536	-
	<u>604,011,604</u>	<u>598,441,800</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.061 million (2018: Rs 0.074 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.034 million (2018: Rs Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Yield / effective interest rate (%)	2019				Total
	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	
	Upto three months	More than three months and upto one year	More than one year		

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

On-balance sheet financial instruments

Financial assets

Bank balances	6.80% - 13.60%	433,838,373	-	-	-	433,838,373
Investments classified:						
'At fair value through profit or loss'						
- Market Treasury Bills	5.86% - 12.65%	515,177,068	-	-	-	515,177,068
- Term Finance Certificates	6.92% - 12.5%	17,104,964	91,405,766	-	-	108,510,730
- Pakistan Investment Bonds	7.25% - 11.05%	-	-	88,834,536	-	88,834,536
Advances and mark-up receivable		-	-	-	12,778,984	12,778,984
Receivable against sale of investments		-	-	-	46,019,662	46,019,662
		966,120,405	91,405,766	88,834,536	58,798,646	1,205,159,353

Financial liabilities

Payable to the Management Company		-	-	-	23,906,029	23,906,029
Payable to the Trustee		-	-	-	99,243	99,243
Payable against purchase of Investments		-	-	-	220,059,656	220,059,656
Accrued and other liabilities		-	-	-	8,496,901	8,496,901
		-	-	-	252,561,829	252,561,829

On-balance sheet gap

966,120,405	91,405,766	88,834,536	(193,763,183)	952,597,524
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2018					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	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	4.00% - 7.4%	754,161,184	-	-	-	754,161,184
Investments classified:						
'At fair value through profit or loss'						
- Market Treasury Bills	5.94% - 6.01%	598,441,800	-	-	-	598,441,800
- Term Finance Certificates	6.92% - 7.74%	137,035,854	-	-	-	137,035,854
Advances and mark-up receivable		-	-	-	10,644,957	10,644,957
		1,489,638,838	-	-	10,644,957	1,500,283,795

Financial liabilities

Payable to the Management Company		-	-	-	22,754,088	22,754,088
Payable to the Trustee		-	-	-	132,812	132,812
Payable against purchase of Investment		-	-	-	626,295,180	626,295,180
Accrued and other liabilities		-	-	-	8,314,502	8,314,502
		-	-	-	657,496,582	657,496,582

On-balance sheet gap		1,489,638,838	-	-	(646,851,625)	842,787,213
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22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. As at reporting date, the fund is not exposed to price risk, as no equity securities are held by the Fund.

As at reporting date, the Fund is not exposed to price risk.

22.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable, receivable against sale of Investments and deposit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

22.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	433,838,373	433,838,373	754,161,184	754,161,184
Investments	712,522,334	108,510,730	735,477,654	137,035,854
Advances and mark-up receivable	12,778,984	12,778,984	10,644,957	10,644,957
Receivable against sale of Investments	46,019,662	46,019,662	-	-
	1,205,159,353	601,147,749	1,500,283,795	901,841,995

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

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs 604.01 million (2018: Rs. 598.44 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018.

22.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Name of bank	Rating Agency	Rating	2019	2018
			----- (%) -----	
Bank Alfalah Limited	PACRA	A1+	13.52%	4.25%
Bank Al Habib Limited	PACRA	A1+	0.00%	0.03%
Allied Bank Limited	PACRA	A1+	0.02%	0.00%
Zarai Taraqati Bank Limited	PACRA	A1+	0.01%	0.00%
Habib Bank Limited	JCR - VIS	A1+	86.17%	0.02%
National Bank of Pakistan	PACRA	A1+	0.02%	0.05%
Samba Bank Limited	PACRA	A1	0.03%	0.00%
Soneri Bank Limited	PACRA	A1+	0.00%	0.00%
JS Bank Limited	PACRA	A1+	0.22%	95.64%
Central Depository Company	N/A	N/A	0.01%	0.00%

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019. The credit rating of TFCs has been disclosed in the note 5.3 to these financial statements

22.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instrument is mainly held with various banks and securities issued by the State Bank of Pakistan on behalf of the Government.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	433,838,373	-	-	-	433,838,373
Investments	-	515,177,068	-	197,345,266	712,522,334
Advances and mark-up receivable	3,184,913	3,402,179	6,191,892	-	12,778,984
Receivable against sales of Investment	46,019,662	-	-	-	46,019,662
	483,042,948	518,579,247	6,191,892	197,345,266	1,205,159,353
Financial liabilities					
Payable to the Management Company	23,906,029	-	-	-	23,906,029
Payable to the Trustee	99,243	-	-	-	99,243
Payable against purchase of investments	220,059,656	-	-	-	220,059,656
Accrued and other liabilities	8,228,674	268,227	-	-	8,496,901
	252,293,602	268,227	-	-	252,561,829
Net assets	230,749,346	518,311,020	6,191,892	197,345,266	952,597,524

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	754,161,184	-	-	-	754,161,184
Investments	-	598,441,800	-	137,035,854	735,477,654
Advances and mark-up receivable	5,046,789	2,310,811	3,287,357	-	10,644,957
	759,207,973	600,752,611	3,287,357	137,035,854	1,500,283,795
Financial liabilities					
Payable to the Management Company	22,754,088	-	-	-	22,754,088
Payable to the Trustee	132,812	-	-	-	132,812
Payable against purchase of investments	626,295,180	-	-	-	626,295,180
Accrued and other liabilities	8,104,704	209,798	-	-	8,314,502
	657,286,784	209,798	-	-	657,496,582
Net assets	101,921,189	600,542,813	3,287,357	137,035,854	842,787,213

22.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2:** 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); and
- Level 3:** inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019, the Fund held the following financial instruments measured at fair values:

	2019			
	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Market Treasury Bills	-	515,177,068	-	515,177,068
Term Finance Certificates	-	108,510,730	-	108,510,730
Pakistan Investment Bonds	-	88,834,536	-	88,834,536
	-	712,522,334	-	712,522,334

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

	2018			
	Level 1	Level 2	Level 3	Total
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Market Treasury Bills	-	598,441,800	-	598,441,800
Term Finance Certificates	-	137,035,854	-	137,035,854
	-	735,477,654	-	735,477,654

During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22.5 Unit Holder's fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and tracks the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23. SUPPLEMENTARY NON - FINANCIAL INFORMATION

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

24. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

25. GENERAL

Figures are rounded off to the nearest rupee.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	331	1,610,178	171,205,392	18%
Associated Co./ Directors	2	4,049,920	430,615,822	46%
Banks/Dfis	1	107	11,428	0%
Retirement & Other Funds	6	529,467	56,296,650	6%
Others	18	2,685,300	285,519,463	30%
	358	8,874,972	943,648,755	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	341	4,835,674	536,783,748	64%
Associated Co./ Directors	2	4,542	504,193	0%
Retirement & Other Funds	5	505,615	56,125,826	7%
Others	19	2,199,047	244,105,197	29%
	367	7,544,879	837,518,965	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
Invest One Markets Limited	23.27%
Continental Exchange (Pvt) Limited	19.93%
BIPL Securities Limited	18.50%
Bright Capital Private Limited	13.65%
Summit Capital Private Limited	6.43%
Paramount Capital	5.98%
Magenta Capital (Pvt) Limited	4.37%
JS Global Capital Limited	1.94%
Pearl Securities	1.48%
C & M Management (Pvt) Limited	1.27%
	30 June 2018
	%
Invest Capital Markets Limited	31.62%
BMA Capital Management Limited	21.63%
Next Capital Limited	17.65%
Js Global Capital Limited	14.38%
Icon Securities Limited	6.64%
Invest & Finance Securities Limited	5.53%
Summit Capital (Pvt) Limited	1.44%
Magenta Capital Limited	0.55%
Arif Habib	0.55%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGSOF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
	(Rupees in '000)				
Net Assets	943,649	837,519	1,221,351	2,987,126	7,234,406
NAV per unit	106.3270	111.0050	105.7586	105.7890	102.8124
Selling price per unit	107.5285	112.2594	106.9537	107.1880	104.1839
Redemption price per unit	106.3270	111.0050	105.7586	105.7890	102.8124
Highest selling price per unit	112.7015	112.2403	112.8651	111.9222	118.7135
Highest redemption price per unit	111.4422	110.9862	111.6040	110.4615	117.1507
Lowest selling price per unit	106.6400	107.0203	106.9537	104.2044	101.5121
Lowest redemption price per unit	105.8583	105.8245	105.7586	102.8444	100.1643
1st interim distribution per unit	5.1152	Nil	5.8914	4.6776	13.6802
Interim distribution date	29-Mar-19	N/A	22-Jun-17	29-Jun-16	23-Jun-15
Final distribution per unit	2.3296	5.2464	N/A	N/A	N/A
Final distribution date	30-Jun-19	2-Jul-18	N/A	N/A	N/A
Annualized returns	7.68%	Nil	Nil	7.42%	16.38%
Income distribution	6.71%	4.96%	5.57%	4.54%	13.67%
Weighted avg. portfolio duration	1.24 Yrs	1.39 Yrs	1.39 Yrs	1.80 Yrs	1.80 Yrs

Return since inception is **8.34%**

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



**Alfalah
Ghp Income Fund**

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

Alfalah GHP Income Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

To minimize risk, construct a liquid portfolio of fixed income instruments and provide competitive returns to the unit holders.

Accomplishment of Objective

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

Money Market Review

Pakistan's GDP posted a growth of 3.3% in FY19 as compared to 5.5% in FY18. Headline inflation rose up to 7.3% as compared to 3.9% in the same period last year. However, the CPI last quarter spiked up to 8.9% owing to the hike in oil prices and hefty depreciation of PKR which fell by 13.7% by the end of quarter. Measures taken by the incumbent government in order to control twin deficits in form of currency depreciation and monetary tightening started to bear fruit during the last quarter of the fiscal year.

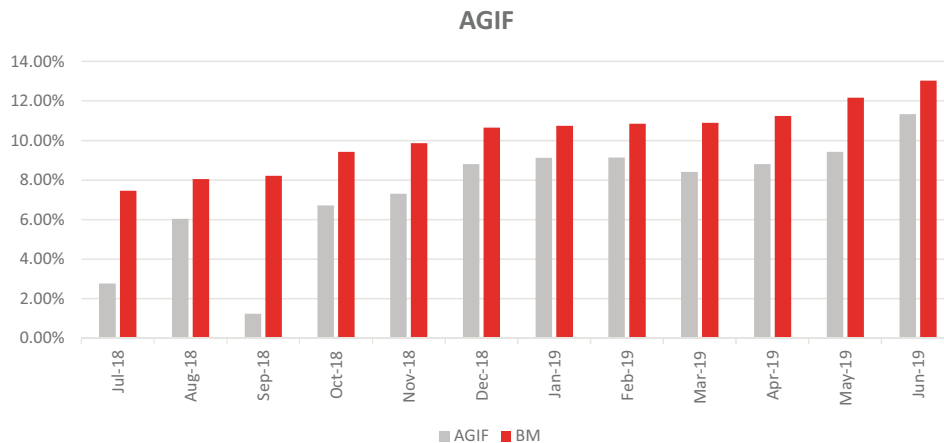
The yield curve shifted upwards during the fiscal year due to continued expectation of monetary tightening as a result majority of the bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. During the year, the central bank was able to fetch PKR 18 trillion with majority of the participation witnessed in 3 month tenor. Through PIBs, the central bank was able to fetch PKR 708 billion against the target of PKR 800 billion with majority of the participation witnessed in 3 years followed by 5 years and 10 years.

Going forward, the recent statement from monetary policy committee suggests that the adjustments related to interest rates and the exchange rate from the previously accumulated imbalances has taken place, however any unanticipated increases in inflation that adversely affect the inflation outlook may lead to further modest tightening.

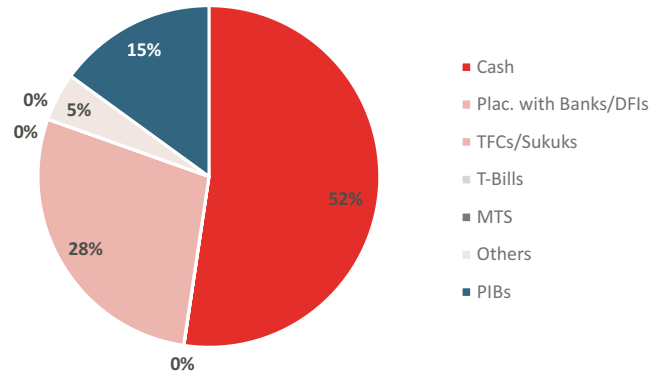
Fund Performance

For the year ended June 30 2019, the fund posted a return of 10.22% against the benchmark of 7.70%. AGIF remained focus on a diversified portfolio of corporate and government securities with frequent placements and deposits with Banks/DFIs at premium rates, the fund also maintained its exposure towards MTS in order to generate alpha.

Performance comparison with Benchmark



Asset Allocation
(as at June 2019)



Credit Quality (as % of Total Assets)			
Govt. Sec / Guar.	14.99%	A	0.00%
AAA	0.43%	A-	0.00%
AA+	58.41%	BBB+	0.00%
AA	14.62%	BBB	0.00%
AA-	6.98%	Below IG	0.00%
A+	0.01%	MTS/NR/UR	4.57%

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shaheen-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-900
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URL: www.cdc-pakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income 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, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The investments and bank balances constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 127.654 million and bank balances aggregated to Rs 154.592 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	154,591,520	426,674,157
Investments	5	127,653,554	125,824,350
Security deposits	6	2,850,000	2,850,000
Prepayments and other receivables	7	6,946,917	5,374,384
Total assets		<u>292,041,991</u>	<u>560,722,891</u>
Liabilities			
Payable to the Management Company	8	11,852,975	11,944,427
Payable to the Trustee	9	103,882	146,405
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	260,021	542,015
Accrued and Other liabilities	11	3,385,221	2,974,707
Total liabilities		<u>15,602,099</u>	<u>15,607,554</u>
Net assets attributable to the unit holders		<u>276,439,892</u>	<u>545,115,337</u>
Unit holders' fund (as per the statement attached)		<u>276,439,892</u>	<u>545,115,337</u>
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		<u>2,457,558</u>	<u>4,645,695</u>
		----- (Rupees) -----	
Net asset value per unit		<u>112.4856</u>	<u>117.3377</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Income			
Profit / mark up income	13	34,673,810	49,573,419
Loss on sale of investments - net		(1,512,718)	(1,398,881)
Unrealised (loss) / gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		(1,049,800)	298,276
Total income		<u>32,111,292</u>	<u>48,472,814</u>
Expenses			
Remuneration of the Management Company	8.1	3,441,583	8,227,424
Sindh sales tax on remuneration of the Management Company	8.2	447,412	1,069,565
Allocated expenses	8.4	347,367	730,918
Selling and marketing expenses	8.5	756,971	76,530
Remuneration of the Trustee	9.1	649,336	1,235,655
Sindh sales tax on remuneration of the Trustee	9.2	84,446	166,827
Annual fee to Securities and Exchange Commission of Pakistan	10.1	260,021	542,015
Brokerage expense		35,151	106,897
Settlement and bank charges		51,544	195,792
Auditors' remuneration	14	277,093	277,146
Annual listing fee		27,500	28,482
Annual rating fee		181,580	285,020
Clearing charges		737,797	904,969
Printing charges		73,052	35,204
Provision for Sindh Workers' Welfare Fund	11.1	494,808	691,803
Total expenses		<u>7,865,661</u>	<u>14,574,247</u>
Net income for the year before taxation		<u>24,245,631</u>	<u>33,898,567</u>
Taxation	15	-	-
Net income for the year after taxation		<u>24,245,631</u>	<u>33,898,567</u>
Allocation of net income for the year			
Net income for the year after taxation		24,245,631	33,898,567
Income already paid on units redeemed		(5,623,392)	(16,794,754)
		<u>18,622,239</u>	<u>17,103,813</u>
Accounting income available for distribution			
-Relating to capital gains		-	-
-Excluding capital gains		18,622,239	17,103,813
		<u>18,622,239</u>	<u>17,103,813</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Net income for the year after taxation	24,245,631	33,898,567
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>24,245,631</u></u>	<u><u>33,898,567</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	Rupees			Rupees		
Net assets at the beginning of the year	455,067,454	90,047,883	545,115,337	689,865,072	72,944,070	762,809,142
Issuance of 4,778,254 units (2018: 11,328,131 units)						
- Capital value (at net asset value per unit at the beginning of the year)	535,050,726	-	535,050,726	1,268,432,352	-	1,268,432,352
- Element of income	3,387,365	-	3,387,365	14,319,756	-	14,319,756
Total proceeds on issuance of units	538,438,091	-	538,438,091	1,282,752,108	-	1,282,752,108
Redemption of 6,966,391 units (2018: 13,494,944 units)						
- Capital value (at net asset value per unit at the beginning of the year)	780,069,992	-	780,069,992	1,511,054,520	-	1,511,054,520
- Element of loss	1,980,511	5,623,392	7,603,903	6,495,206	16,794,754	23,289,960
Total payments on redemption of units	782,050,503	5,623,392	787,673,895	1,517,549,726	16,794,754	1,534,344,480
Total comprehensive income for the year	-	24,245,631	24,245,631	-	33,898,567	33,898,567
Final distribution for the year ended June 30, 2018 @ Rs. 5.3659 per unit on July 2, 2018	(7,824,827)	(17,103,509)	(24,928,336)	-	-	-
Final distribution for the year ended June 30, 2019 @ Rs. 8.1115 per unit on June 30, 2019	(1,065,341)	(17,691,595)	(18,756,936)	-	-	-
	(8,890,168)	(34,795,104)	(43,685,272)	-	-	-
Net assets at the end of the year	202,564,874	73,875,018	276,439,892	455,067,454	90,047,883	545,115,337
		(Rupees)			(Rupees)	
Undistributed income brought forward						
- Realised income		89,749,607			72,524,256	
- Unrealised income		298,276			419,814	
Accounting income available for distribution		90,047,883			72,944,070	
- Relating to capital gains		-			-	
- Excluding capital gains		18,622,239			17,103,813	
Final distribution for the year ended June 30, 2018 @ Rs. 5.3659 per unit on July 2, 2018		(17,103,509)			-	
Final distribution for the year ended June 30, 2019 @ Rs. 8.1115 per unit on June 30, 2019		(17,691,595)			-	
Undistributed income carried forward		<u>73,875,018</u>			<u>90,047,883</u>	
Undistributed income carried forward						
- Realised income		74,924,818			89,749,607	
- Unrealised (loss) / income		(1,049,800)			298,276	
		<u>73,875,018</u>			<u>90,047,883</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		117.3377			111.9719	
Net asset value per unit at the end of the year		<u>112.4856</u>			<u>117.3377</u>	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		24,245,631	33,898,567
Adjustments for:			
Provision for Sindh Workers' Welfare Fund		494,808	691,803
Unrealised loss / (gain) on revaluation of investments as 'financial assets at fair value through profit or loss' - net		1,049,800	(298,276)
		<u>25,790,239</u>	<u>34,292,094</u>
(Increase) / decrease in assets			
Investments - net		(2,879,004)	220,981,855
Prepayments and other receivables		(1,572,533)	4,820,581
Receivable against Margin Trading System (MTS)		-	27,206,053
		(4,451,537)	253,008,489
Decrease in liabilities			
Payable to the Management Company		(91,452)	(694,768)
Payable to the Trustee		(42,523)	(13,975)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(281,994)	(400,759)
Accrued and Other liabilities		(84,294)	(6,664,043)
		(500,263)	(7,773,545)
Net cash flow generated from operating activities		<u>20,838,439</u>	<u>279,527,038</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(34,795,104)	-
Amounts received against issuance of units (net of refund of capital)		529,547,923	1,282,752,108
Payments made against redemption of units		(787,673,895)	(1,534,344,480)
Net cash used in financing activities		(292,921,076)	(251,592,372)
Net (decrease) / increase in cash and cash equivalents during the year		(272,082,637)	27,934,666
Cash and cash equivalents at beginning of the year		426,674,157	398,739,491
Cash and cash equivalents at end of the year	17	<u><u>154,591,520</u></u>	<u><u>426,674,157</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Fund (the Fund) is an open-ended fund constituted under a trust deed entered into on December 18, 2006 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984. On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund (formerly IGI Income Fund).

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

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

According to the Trust Deed, the Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, Government securities, sukuk and term finance certificates, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019, and stability rating of A+(f) to the Fund in its credit rating report dated April 17, 2019.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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

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

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 01, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 01, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 01, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1 and 5).
- ii. Impairment of financial assets (note 3.3.2).
- iii. Taxation (notes 3.7 and 15).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments classified as 'financial assets at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2 above.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held

for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

The Fund can only invest in equity securities for the purpose of spread transactions.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial 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.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 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.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units

outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as 'financial asset at fair value through profit or loss' are recognised in the income statement in the period in which these arise.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term deposit receipts, musharakah certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits / income are recorded on receipt basis.
- Unrealised gains or losses arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the income statement in the period in which they arise.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Margin Trading System

Transactions of purchase under Margin Trading System (MTS) of marketable securities are entered into contracted rates for specified periods of time. Securities purchased under MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreements is recognised as receivable in respect of MTS. Profit is recognised on an accrual basis using the effective interest method. Cash releases are adjusted against the receivable as a reduction in the amount of receivable. The maximum maturity of an MTS contract is 60 calendar days out of which 25 percent exposure is automatically released at expiry of every 15th day from the date of contract.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2019	2018
4 BANK BALANCES		----- (Rupees) -----	
In saving accounts	4.1	<u>154,591,520</u>	<u>426,674,157</u>
4.1	The rate of return on these accounts ranges from 5.25% to 13.60% (2018: 4.00% to 7.40%) per annum. It includes bank balance of Rs 151.532 million (2018: Rs 203.364 million) maintained with Bank Alfalah Limited (a related party).		
5 INVESTMENTS	Note	2019	2018
At fair value through profit or loss		----- (Rupees) -----	
Sukuk certificates	5.1	68,397,476	59,121,520
Term finance certificates	5.2	14,838,896	66,702,830
Pakistan investment bonds	5.4	44,417,182	-
		<u>127,653,554</u>	<u>125,824,350</u>

5.1 Sukuk certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2018	Purchased during the year	Matured / sold during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Net unrealised gain / (loss) on revaluation of investments	Market value as a percentage of		Investment as percentage of issue size	Rating
											net assets	total investment		
				----- (Number of certificates) -----				----- (Rupees) -----						
Dubai Islamic Bank Pakistan Limited	6 Months Kibor + 0.50%	Secured	July 14, 2027	5	-	-	5	5,093,520	5,093,520	-	1.84%	3.99%	0.13%	AA-
International Brands Limited	12 Months Kibor + 0.50%	Secured	November 15, 2021	400	-	188	212	21,200,000	20,765,400	(434,600)	7.51%	16.27%	0.73%	A
Dawood Hercules Corporation Limited	3 Months Kibor + 1.00%	Secured	November 16, 2022	140	-	-	140	12,628,000	12,558,556	(69,444)	4.54%	9.84%	0.24%	AA
Dawood Hercules Corporation Limited	3 Months Kibor + 1.00%	Secured	March 1, 2023	-	100	-	100	9,835,000	9,980,000	145,000	3.61%	7.82%	0.17%	AA
Hub Power Company Limited	3 Months Kibor + 1.00%	Unsecured	November 25, 2019	-	4,000	-	4,000	20,000,000	20,000,000	-	7.23%	15.67%	0.50%	AA+
Total as at June 30, 2019								68,756,520	68,397,476	(359,044)	24.73%	53.59%	1.77%	
Total as at June 30, 2018								59,000,000	59,121,520	121,520				

5.2 Term Finance Certificates (TFCs)

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2018	Purchased during the year	Matured / sold during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Net unrealised (loss) / gain on revaluation of investments	Market value as a percentage of		Investment as percentage of issue size	Rating
											net assets	total investment		
				----- (Number of certificates) -----				----- (Rupees) -----						
The Bank of Punjab	6 Months Kibor + 1.00%	Unsecured	December 20, 2026	450	-	300	150	15,321,308	14,838,896	(482,412)	5.37%	11.62%	0.59%	AA
Habib Bank Limited	6 Months Kibor + 0.50%	Unsecured	February 19, 2026	210	-	210	-	-	-	-	-	-	-	AAA
Total as at June 30, 2019								15,321,308	14,838,896	(482,412)	5.37%	11.62%	0.59%	
Total as at June 30, 2018								66,526,075	66,702,830	176,755				

5.3 Market Treasury Bills

Particulars	Face Value			Balance as at June 30, 2019		Unrealised gain / (loss) on revaluation	Market value as a percentage of	
	As at July 01, 2018	Purchased during the year	Sold/matured during the year	As at June 30, 2019	Carrying value		Market value	net assets
----- (Rupees) -----								
Maturity upto 3 months	-	824,000,000	824,000,000	-	-	-	-	-
Total as at June 30, 2019	-	824,000,000	824,000,000	-	-	-	-	-
Total as at June 30, 2018	500,000	40,310,000	40,810,000	-	-	-	-	-

5.4 Pakistan Investment Bonds

Particulars	Note	Face Value				Balance as at June 30, 2019		Unrealised loss on revaluation	Market value as a percentage of	
		As at July 01, 2018	Purchased during the year	Sold/Matured during the year	As at June 30, 2019	Carrying value	Market value		net assets	total investment
(Rupees)										
Pakistan Investment Bonds - 03 years	5.4.1	-	70,000,000	20,000,000	50,000,000	44,625,531	44,417,182	(208,349)	16.07%	34.80%
Pakistan Investment Bonds - 05 years		-	140,000,000	140,000,000	-	-	-	-	-	-
Total as at June 30, 2019		-	210,000,000	160,000,000	50,000,000	44,625,531	44,417,182	(208,349)	16.07%	34.80%
Total as at June 30, 2018		-	8,500,000	8,500,000	-	-	-	-	-	-

5.4.1 These carry purchase yield of 7.25% (2018: Nil) per annum. These have maturity upto July 12, 2021 (2018: Nil).

5.5 Term Deposit Receipts

Name of the investee company	Rate of return per annum	Face value				Balance as at June 30, 2019		Unrealised gain / (loss) on revaluation	Market value as a percentage of	
		As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Carrying Value	Market Value		net assets	total investment
(Rupees)										
JS Bank Limited	8.15%	-	50,000,000	50,000,000	-	-	-	-	-	-
JS Bank Limited	8.75%	-	35,000,000	35,000,000	-	-	-	-	-	-
JS Bank Limited	9.20%	-	30,000,000	30,000,000	-	-	-	-	-	-
JS Bank Limited	11.15%	-	30,000,000	30,000,000	-	-	-	-	-	-
JS Bank Limited	11.15%	-	30,000,000	30,000,000	-	-	-	-	-	-
Total as at June 30, 2019		-	175,000,000	175,000,000	-	-	-	-	-	-
Total as at June 30, 2018		-	270,000,000	270,000,000	-	-	-	-	-	-

6. SECURITY DEPOSITS	Note	2019	2018
		(Rupees)	
National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
		2,850,000	2,850,000

7. PREPAYMENTS AND OTHER RECEIVABLES

Margin trading system fee		228,101	183,020
Security margin with the NCCPL		1,819,324	1,819,324
Mark-up / return receivable on:			
- Bank balances		550,814	256,790
- Term finance certificates and sukuk certificates		2,369,488	2,835,866
- Pakistan Investment Bonds		1,699,806	-
Advance tax	7.1	279,384	279,384
		6,946,917	5,374,384

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CIS) are exempt from withholding tax under section 151 and 150. Withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs. 0.279 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the

Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8. PAYABLE TO THE MANAGEMENT COMPANY	Note	2019	2018
		----- (Rupees) -----	
Management remuneration payable	8.1	322,640	367,690
Sindh sales tax payable on management remuneration	8.2	1,394,243	1,400,093
Federal excise duty on management remuneration	8.3	9,778,882	9,778,882
Sales load payable to management company		48,584	48,584
Payable against allocated expenses	8.4	11,319	272,648
Selling and marketing expenses	8.5	297,307	76,530
		<u>11,852,975</u>	<u>11,944,427</u>

- 8.1** The Management Company charges fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (which is currently restricted to 1.5% of average annual net assets of the scheme). Provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.
- 8.2** During the year, an amount of Rs. 0.447 million (2018: Rs. 1.970 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.453 million (2018: Rs. 20.336 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 9.778 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund as at June 30, 2019 would have been higher by Rs 3.98 (2018: Rs 2.10) per unit.

- 8.4** Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 8.5** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year in accordance with the relevant regulation.

9. PAYABLE TO THE TRUSTEE	Note	2019	2018
----- (Rupees) -----			
Trustee remuneration payable	9.1	56,219	88,826
Sindh sales tax payable on trustee remuneration	9.2	28,372	32,579
Central Depository System Transaction Fee		19,291	25,000
		<u>103,882</u>	<u>146,405</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	Tariff per annum
Up to Rs. 1 billion	0.17% p.a. of net assets
Rs. 1 billion to Rs. 5 billion	Rs. 1.7 million plus 0.085% p.a. of net assets exceeding Rs 1 billion
Over Rs. 5 billion	Rs. 5.1 million plus 0.07% p.a. of net assets exceeding Rs 5 billion

- 9.2 During the year, an amount of Rs. 0.084 million (2018: Rs. 0.167 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.145 million (2018: Rs. 0.231 million) was paid to the Trustee which acts as a collecting agent.

10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2019	2018
----- (Rupees) -----			
	10.1	260,021	542,015

- 10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

11. ACCRUED AND OTHER LIABILITIES	Note	2019	2018
----- (Rupees) -----			
Provision for Sindh Workers' Welfare Fund	11.1	2,469,370	1,974,562
Annual rating fee		284,015	446,260
Withholding tax payable		208,688	178,343
Auditors' remuneration		127,913	169,312
Sales load payable		74,004	73,389
Capital gain tax payable		49,147	51,274
Printing charges		89,270	35,062
Clearing charges		65,503	30,000
Brokerage and settlement charges		17,311	16,505
		<u>3,385,221</u>	<u>2,974,707</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Rs 1 (2018: Re 0.43) per unit.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	2019	2018
	----- (Rupees) -----	
13. PROFIT / MARK UP INCOME		
Profit / mark up income on:		
- Bank balances	20,292,178	25,555,614
- Term finance certificates	8,052,505	16,809,089
- Market Treasury Bills	2,029,886	2,876,409
- Pakistan Investment Bonds	506,880	-
- Term deposit receipts	1,612,671	2,956,578
- Margin trading system	2,149,496	1,252,749
- Others	30,194	122,980
	<u>34,673,810</u>	<u>49,573,419</u>

14. AUDITORS' REMUNERATION

Audit fee	120,000	120,000
Review and other certifications	110,000	110,000
	230,000	230,000
Out of pocket expenses	26,568	28,746
Sindh sales tax	20,525	18,400
	<u>277,093</u>	<u>277,146</u>

15. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 2.27% which includes 0.37% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

	2019	2018
	----- (Rupees) -----	
17. CASH AND CASH EQUIVALENTS		
Bank balances	154,591,520	426,674,157
	<u>154,591,520</u>	<u>426,674,157</u>

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal

course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

Note	2019										
	As at July 01, 2018	Issued for cash/conversion in / transfer in	Dividend reinvestment	Redeemed/c conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash/conversion in / transfer in	Dividend reinvestment	Redeemed/c conversion out / transfer out	Net asset value as at June 30, 2019	
	Units					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Prosperity Planning Fund *	18.1.1	1,833,005	3,839,540	94,214	5,672,018	94,741	215,080,591	431,600,000	10,552,530	639,489,563	10,656,998
Alfalah GHP Investment Management Limited *	18.1.1	1,306,668	1,729	142,826	-	1,451,223	153,321,418	195,354	16,035,523	-	163,241,690
Key management personnel (Employees)											
Head of Marketing	18.1.1	-	-	-	-	-	-	-	-	-	-
Unit holder holding 10% or more units											
Syed Ahsan Ali Gauhar Jee Foundation	18.1.1	255,808	-	26,738	-	282,546	30,015,977	-	3,002,332	-	31,782,356

	2018										
	As at July 01, 2017	Issued for cash/conversion in / transfer in	Dividend reinvestment	Redeemed/c conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash/conversion in / transfer in	Dividend reinvestment	Redeemed/c conversion out / transfer out	Net asset value as at June 30, 2018	
	Units					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Prosperity Planning Fund *		2,297,887	1,424,026	-	1,888,908	1,833,005	257,298,773	161,500,000	-	214,000,000	215,080,591
Alfalah GHP Investment Management Limited *		335,118	2,632,327	-	1,660,777	1,306,668	37,523,799	299,131,410	-	190,000,000	153,321,418
Key management personnel (Employees)											
Head of Marketing		522	102	-	624	-	58,449	11,546	-	70,420	-
Unit holder holding 10% or more units											
Fauji Fertilizer Bin Qasim Limited		1,338,792	-	-	1,338,792	-	149,907,084	-	-	150,848,201	-

* This unit holder also holds more than 10% of units in the Fund as at June 30, 2019 and June 30, 2018.

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2019.

2019 2018
----- (Rupees) -----

18.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	3,441,583	8,227,424
Sindh sales tax on remuneration of the Management Company	447,412	1,069,565
Sales load	6,041	6,041
Allocated expenses	347,367	730,918
Selling and marketing expenses payable	756,971	76,530

	2019	2018
	----- (Rupees) -----	
Alfalalah GHP Value Fund		
Term Finance Certificate - sold	29,592,234	25,023,014
Sukuks - sold	16,784,100	15,307,845
Alfalalah GHP Sovereign Fund		
Market Treasury Bills - purchased	29,602,970	-
Alfalalah GHP Money Market Fund		
Market Treasury Bills - purchased	23,524,628	-
Market Treasury Bills - sold	23,806,248	-
Bank Alfalah Limited		
Profit on bank balances	3,521,637	1,375,098
Bank charges	647	74,642
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	649,336	1,235,655
Sindh sales tax on remuneration of the Trustee	84,446	166,827
CDS charges	49,357	120,643
18.3 Other balances		
Associated companies / undertakings		
Alfalalah GHP Investment Management Limited - Management Company		
Management remuneration payable	322,640	367,690
Sindh sales tax payable on management remuneration	1,394,243	1,400,093
Federal excise duty on management remuneration	9,778,882	9,778,882
Sales load payable	48,584	48,584
Payable against allocated expenses	11,319	272,648
Selling and marketing expenses payable	297,307	76,530
Bank Alfalah Limited		
Bank balance	151,532,524	203,364,079
Profit receivable	50,612	29,568
Sales load payable	74,004	73,389
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	56,219	88,826
Sindh sales tax payable on trustee remuneration	28,372	32,579
CDS transaction Fee	19,291	25,000
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised Cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	154,591,520	-	154,591,520
Investments	-	127,653,554	127,653,554
Security deposits	2,850,000	-	2,850,000
Other receivables	6,439,432	-	6,439,432
	<u>163,880,952</u>	<u>127,653,554</u>	<u>291,534,506</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	11,852,975	11,852,975
Payable to the Trustee	-	103,882	103,882
Accrued and Other liabilities	-	658,016	658,016
	-	12,614,873	12,614,873

Particulars	2018		
	At amortised Cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	426,674,157	-	426,674,157
Investments	-	125,824,350	125,824,350
Security deposits	2,850,000	-	2,850,000
Other receivables	4,911,980	-	4,911,980
	434,436,137	125,824,350	560,260,487

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	11,944,427	11,944,427
Payable to the Trustee	-	146,405	146,405
Accrued and Other liabilities	-	770,528	770,528
	-	12,861,360	12,861,360

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

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

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2019	2018
	Rupees	
Variable rate instruments (financial assets)		
Bank balances	154,591,520	426,674,157
Sukuk certificates	68,397,476	59,121,520
Term finance certificates	14,838,896	66,702,830
	<u>237,827,892</u>	<u>552,498,507</u>
Fixed rate instruments (financial assets)		
Pakistan investment bonds	44,417,182	-
	<u>44,417,182</u>	<u>-</u>

a) **Sensitivity analysis for variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.029 million (2018: Rs 0.031 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) **Sensitivity analysis for fixed rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.017 million (2018: Rs Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	5.25% - 13.60%	154,591,520	-	-	-	154,591,520
Investments						
- Sukuk certificates	6.70% - 13.88%	47,632,076	20,765,400	-	-	68,397,476
- Term finance certificates	6.92% - 14.06%	-	14,838,896	-	-	14,838,896
- Pakistan investment bonds	7.25%	-	-	44,417,182	-	44,417,182
		47,632,076	35,604,296	44,417,182	-	127,653,554
Security deposits		-	-	-	2,850,000	2,850,000
Other receivables		-	-	-	6,439,432	6,439,432
Sub total		202,223,596	35,604,296	44,417,182	9,289,432	291,534,506

Financial liabilities

Payable to the Management Company		-	-	-	11,852,975	11,852,975
Payable to the Trustee		-	-	-	103,882	103,882
Accrued and Other liabilities		-	-	-	658,016	658,016
Sub total		-	-	-	12,614,873	12,614,873

On-balance sheet gap

	202,223,596	35,604,296	44,417,182	(3,325,441)	278,919,633
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Total interest rate sensitivity gap

	202,223,596	35,604,296	44,417,182	(3,325,441)	278,919,633
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Cumulative interest rate sensitivity gap

	202,223,596	237,827,892	282,245,074
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Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	4.00% to 7.40%	426,674,157	-	-	-	426,674,157
Investments						
- Sukuk certificates	6.70% - 7.41%	14,028,000	45,093,520	-	-	59,121,520
- Term finance certificates	6.93% - 8.02%	20,720,910	45,981,920	-	-	66,702,830
		34,748,910	91,075,440	-	-	125,824,350

Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
Security deposits	-	-	-	-	2,850,000	2,850,000
Other receivables	-	-	-	-	4,911,980	4,911,980
Sub total	461,423,067	91,075,440	-	-	7,761,980	560,260,487
Financial liabilities						
Payable to the Management Company	-	-	-	-	11,944,427	11,944,427
Payable to the Trustee	-	-	-	-	146,405	146,405
Accrued and Other liabilities	-	-	-	-	770,528	770,528
Sub total	-	-	-	-	12,861,360	12,861,360
On-balance sheet gap	461,423,067	91,075,440	-	-	(5,099,380)	547,399,127
Total interest rate sensitivity gap	461,423,067	91,075,440	-	-	(5,099,380)	547,399,127
Cumulative interest rate sensitivity gap	461,423,067	552,498,507	552,498,507	-	-	-

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at the reporting date, the Fund is not exposed to price risk.

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	154,591,520	154,591,520	426,674,157	426,674,157
Investments	127,653,554	83,236,372	125,824,530	125,824,530
Security deposits	2,850,000	2,850,000	2,850,000	2,850,000
Other receivables	6,439,432	6,439,432	4,911,980	4,911,980
	<u>291,534,506</u>	<u>247,117,324</u>	<u>560,260,667</u>	<u>560,260,667</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 44.417 million (2018: Rs Nil) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks (including profit receivable) having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2019	2018
			Percentage of total bank balances	
Bank Alfalah Limited	JCR-VIS	A1+	97.706%	47.634%
JS Bank Limited	PACRA	A1+	0.667%	51.803%
Allied Bank Limited	PACRA	A1+	0.571%	0.311%
Soneri Bank Limited	PACRA	A1+	0.472%	0.009%
National Bank of Pakistan	PACRA	A1+	0.338%	0.183%
BankIslami Pakistan Limited	PACRA	A1	0.006%	0.002%
Habib Bank Limited	JCR-VIS	A1+	0.097%	0.029%
MCB Bank Limited	PACRA	A1+	0.014%	0.005%
Habib Metropolitan Bank Limited	PACRA	A1+	0.003%	0.001%
Telenor Microfinance Bank Limited	JCR-VIS	A1	0.006%	0.002%
Zarai Taraqiyati Bank Limited	JCR-VIS	A1+	0.052%	0.018%
Samba Bank Limited	JCR-VIS	A1	0.012%	0.002%
CDC IPS Account	N/A	N/A	0.056%	-
			<u>100.00%</u>	<u>100.00%</u>

20.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2019 with entities having following credit ratings:

Name of Entity	Rating agency	Rating	2019	2018
			Percentage of total balance	
The Bank of Punjab	PACRA	AA	17.83%	36.54%
Habib Bank Limited	JCR-VIS	AAA	0.00%	16.47%
Dubai Islamic Bank Limited	JCR-VIS	AA	6.12%	4.05%
International Brands Limited	JCR-VIS	A	24.95%	31.79%
Dawood Hercules Corporation Limited	PACRA	AA	27.08%	11.15%
The Hub Power Company Limited	PACRA	AA+	24.03%	0.00%
			<u>100%</u>	<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

20.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the 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 mainly held with various banks and securities issued by the entities having reasonably high credit rating.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	154,591,520	-	-	-	154,591,520
Investments	-	-	20,000,000	107,653,554	127,653,554
Security deposits	2,850,000	-	-	-	2,850,000
Other receivables	6,439,432	-	-	-	6,439,432
	163,880,952	-	20,000,000	107,653,554	291,534,506
Financial liabilities					
Payable to the Management Company	11,852,975	-	-	-	11,852,975
Payable to the Trustee	103,882	-	-	-	103,882
Accrued and Other liabilities	658,016	-	-	-	658,016
	12,614,873	-	-	-	12,614,873
Net assets	151,266,079	-	20,000,000	107,653,554	278,919,633
----- Rupees -----					
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	426,674,157	-	-	-	426,674,157
Investments	-	-	-	125,824,350	125,824,350
Security deposits	2,850,000	-	-	-	2,850,000
Other receivables	4,911,980	-	-	-	4,911,980
	434,436,137	-	-	125,824,350	560,260,487
Financial liabilities					
Payable to the Management Company	11,944,427	-	-	-	11,944,427
Payable to the Trustee	146,405	-	-	-	146,405
Accrued and Other liabilities	770,528	-	-	-	770,528
	12,861,360	-	-	-	12,861,360
Net assets	421,574,777	-	-	125,824,350	547,399,127

20.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following financial instruments measured at fair values:

2019			
Level 1	Level 2	Level 3	Total

Rupees

Financial assets at fair value through profit or loss

Investments

Sukuk certificates	-	68,397,476	-	68,397,476
Term finance certificates	-	14,838,896	-	14,838,896
Pakistan Investment Bonds	-	44,417,182	-	44,417,182
	-	<u>127,653,554</u>	-	<u>127,653,554</u>

2018			
Level 1	Level 2	Level 3	Total

Rupees

Financial assets at fair value through profit or loss

Investments

Sukuk certificates	-	59,121,520	-	59,121,520
Term finance certificates	-	66,702,830	-	66,702,830
	-	<u>125,824,350</u>	-	<u>125,824,350</u>

During the year ended June 30, 2019, 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.

20.5 Unit holder's fund management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management 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 as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

Figures are rounded off to the nearest rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 29, 2019**.



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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	117	253,038	28,463,154	10%
Associated Co./ Directors	2	1,451,222	163,241,621	59%
Banks/Dfis	2	13,759	1,547,658	1%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	7	211,818	23,826,434	9%
Others	11	527,721	59,361,026	21%
	139	2,457,558	276,439,892	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	106	932,941	109,469,223	20%
Associated Co./ Directors	2	1,306,667	153,321,387	28%
Banks/Dfis	1	12,246	1,436,952	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	8	148,383	17,410,953	3%
Others	8	2,245,457	263,476,821	48%
	125	4,645,695	545,115,337	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
BIPL Securities Limited	51
Continental Exchange (Pvt) Limited	18
Invest One Markets Limited	18
JS Global Capital Limited	12
	30 June 2018
	%
KASB Securities Limited	24
Next Capital Limited	18
JS Global Capital Limited	17
International Financial Sec limited	10
BIPL Securities Limited	10
Invest Capital Markets Limited	8
BMA Capital Management Limited	7
C & M Management (Pvt) Limited	3
Bright Capital Limited	2

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGHPIF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
	(Rupees in '000)				
Net Assets	276,440	545,115	762,809	638,840	1,111,393
NAV per unit	112.4856	117.3377	111.9719	110.7178	105.3463
Selling price per unit	113.7567	118.6636	113.2372	112.1819	106.7516
Redemption price per unit	112.4856	117.3377	111.9719	110.7178	105.3463
Highest selling price per unit	121.8312	118.6455	117.8329	114.9197	114.8402
Highest redemption price per unit	120.4699	117.3198	116.5163	113.4198	113.3284
Lowest selling price per unit	113.0394	113.5624	111.5416	106.7380	101.8170
Lowest redemption price per unit	111.7763	112.2935	110.2953	105.3449	100.4651
Total interim distribution per unit	Nil	Nil	4.5031	2.6173	7.3777
Interim distribution date	N/A	N/A	22-Jun-17	29-Jun-16	23-Jun-15
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	8.1115	5.37	Nil	Nil	Nil
Final distribution date	30-Jun-19	2-Jul-18	N/A	N/A	N/A
Annualized returns %	7.70%	4.79%	5.20%	7.56%	12.26%
Income distribution %	7.24%	4.79%	4.07%	2.48%	7.35%
Weighted avg. portfolio duration (Days)	501 Days	211 Days	341 Days	720 Days	837 Days

Return since inception is 8.77%

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



**Alfalah GHP
Income Multiplier Fund**

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

Alfalah GHP Income Multiplier Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Aggressive Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

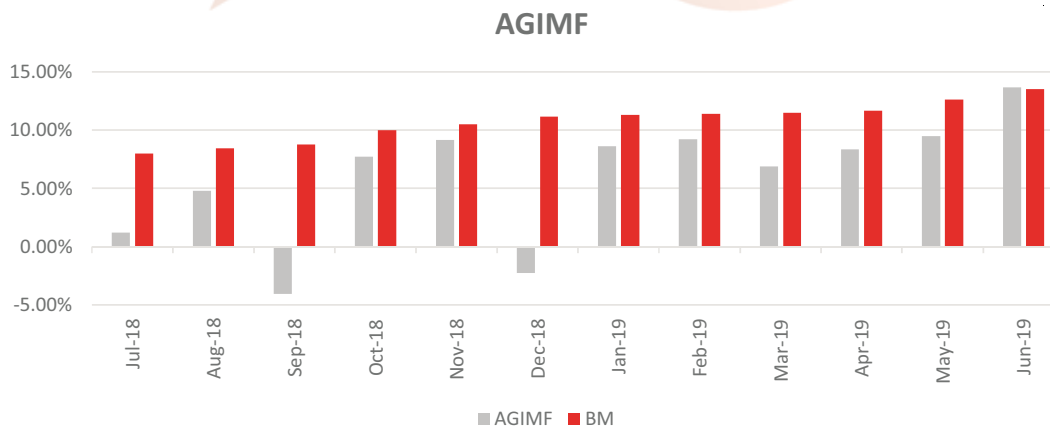
Pakistan's GDP posted a growth of 3.3% in FY19 as compared to 5.5% in FY18. Headline inflation rose up to 7.3% as compared to 3.9% in the same period last year. However, the CPI last quarter spiked up to 8.9% owing to the hike in oil prices and hefty depreciation of PKR which fell by 13.7% by the end of quarter. Measures taken by the incumbent government in order to control twin deficits in form of currency depreciation and monetary tightening started to bear fruit during the last quarter of the fiscal year.

The yield curve shifted upwards during the fiscal year due to continued expectation of monetary tightening as a result majority of the bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. During the year, the central bank was able to fetch PKR 18 trillion with majority of the participation witnessed in 3 month tenor. Through PIBs, the central bank was able to fetch PKR 708 billion against the target of PKR 800 billion with majority of the participation witnessed in 3 years followed by 5 years and 10 years.

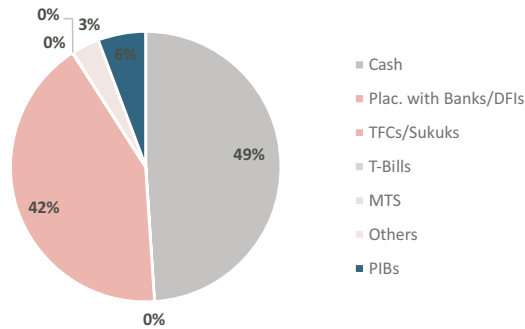
Going forward, the recent statement from monetary policy committee suggests that the adjustments related to interest rates and the exchange rate from the previously accumulated imbalances has taken place, however any unanticipated increases in inflation that adversely affect the inflation outlook may lead to further modest tightening.

Fund performance review and strategies employed

For the year ended June 30 2019, the fund posted a return of 6.26% against the benchmark of 10.75%. During the period, the fund maintained its exposure in corporate securities and in higher yielding bank deposits with the latter providing stability to the fund.



Asset Allocation
(as at June 2019)



Asset Allocation/Portfolio Quality

Credit Quality (as % of Total Assets)			
Gov. Secs.	5.7%	A	0.1%
AAA	3.4%	A-	0.1%
AA+	54.9%	BBB+	0.0%
AA	11.6%	BBB	0.0%
AA-	14.3%	Below IG	0.0%
A+	6.6%	NR/UR/MTS	3.4%

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

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Karachi - 74400, Pakistan
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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME MULTIPLIER FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Income Multiplier Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Income Multiplier Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The investments and bank balances constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 185.652 million and bank balances aggregated to Rs 190.299 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and

S. No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP INCOME MULTIPLIER FUND

STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Assets			
Bank balances	4	190,299,044	202,948,181
Investments	5	185,651,763	471,109,035
Security deposits	6	2,850,000	2,850,000
Mark-up and other receivables	7	9,823,867	11,508,920
Receivable from the Management Company - net	8	433,576	-
Receivable against Margin Trading System (MTS)		-	1,131,526
Total assets		389,058,250	689,547,662
Liabilities			
Payable to the Management Company	9	15,286,353	16,379,734
Payable to the Trustee	10	49,146	74,285
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	313,448	1,187,818
Payable against purchase of investments		-	7,821,675
Accrued and other liabilities	12	8,415,436	8,485,293
Total liabilities		24,064,383	33,948,805
Net assets attributable to unit holders		364,993,867	655,598,857
Unit holders' fund (as per the statement attached)		364,993,867	655,598,857
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		6,852,199	11,735,937
Net asset value per unit		53.2667	55.8625

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018
Income			
Profit / mark-up income	14	41,823,683	110,876,547
Loss on sale of investments - net		(6,513,556)	(2,948,018)
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss'- net	5.5	(1,865,994)	(15,641)
Other income		42,948	154,037
Total income		<u>33,487,081</u>	<u>108,066,925</u>
Expenses			
Remuneration of the Management Company	9.1	4,472,199	19,797,728
Sindh sales tax on remuneration of the Management Company	9.2	581,387	2,573,686
Remuneration of the Trustee	10.1	710,122	2,164,139
Sindh sales tax on remuneration of the Trustee	10.2	92,316	281,332
Annual fee to the Securities and Exchange Commission of Pakistan	11	313,448	1,187,818
Brokerage expense		125,495	162,448
Bank and settlement charges		223,146	1,155,600
Fees and subscriptions		992,892	999,730
Auditor's remuneration	15	306,384	277,114
Printing charges		35,000	68,116
Allocated expenses	9.4	417,920	1,583,676
Selling and marketing expenses	9.5	1,111,682	213,148
Provision for Sindh Workers' Welfare Fund	12.1	482,102	1,552,047
Total expenses		<u>9,864,093</u>	<u>32,016,582</u>
Net income for the year before taxation		<u>23,622,988</u>	<u>76,050,343</u>
Taxation	16	-	-
Net income for the year after taxation		<u>23,622,988</u>	<u>76,050,343</u>
Allocation of net income for the year			
Net income for the year after taxation		23,622,988	76,050,343
Income already paid on units redeemed		(9,175,094)	(49,771,375)
		<u>14,447,894</u>	<u>26,278,968</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		14,447,894	26,278,968
		<u>14,447,894</u>	<u>26,278,968</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	-----
Net income for the year after taxation	23,622,988	76,050,343
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>23,622,988</u></u>	<u><u>76,050,343</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	494,843,282	160,755,575	655,598,857	1,605,244,819	134,476,607	1,739,721,426
Issuance of 20,078,693 units (2018: 32,685,170 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,069,190,394	-	1,069,190,394	1,740,486,201	-	1,740,486,201
- Element of income	8,752,338	-	8,752,338	20,341,716	-	20,341,716
Total proceeds on issuance of units	1,077,942,732	-	1,077,942,732	1,760,827,917	-	1,760,827,917
Redemption of 24,962,431 units (2018: 53,620,041 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,329,249,446	-	1,329,249,446	2,855,268,670	-	2,855,268,670
- Element of loss	1,635,533	9,175,094	10,810,627	15,960,784	49,771,375	65,732,159
Total payments on redemption of units	1,330,884,979	9,175,094	1,340,060,073	2,871,229,454	49,771,375	2,921,000,829
Total comprehensive income for the year	-	23,622,988	23,622,988	-	76,050,343	76,050,343
Final distribution for the year ended June 30, 2019 @ Rs. 2.6142 per unit on July 2, 2018	(4,366,162)	(26,292,798)	(30,658,960)	-	-	-
Final distribution for the year ended June 30, 2019 @ Rs. 3.3186 per unit on June 30, 2019	(7,726,290)	(13,725,387)	(21,451,677)	-	-	-
	(12,092,452)	(40,018,185)	(52,110,637)	-	-	-
Net assets at the end of the year	229,808,583	135,185,284	364,993,867	494,843,282	160,755,575	655,598,857
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		160,771,216			127,662,604	
- Unrealised (loss) / income		(15,641)			6,814,003	
		<u>160,755,575</u>			<u>134,476,607</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		14,447,894			26,278,968	
		<u>14,447,894</u>			<u>26,278,968</u>	
Distributions during the year		(40,018,185)			-	
Undistributed income carried forward		<u>135,185,284</u>			<u>160,755,575</u>	
Undistributed income carried forward						
- Realised income		137,051,278			160,771,216	
- Unrealised loss		(1,865,994)			(15,641)	
		<u>135,185,284</u>			<u>160,755,575</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>55.8625</u>			<u>53.2500</u>	
Net asset value per unit at the end of the year		<u>53.2667</u>			<u>55.8625</u>	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		23,622,988	76,050,343
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' -net		1,865,994	15,641
Provision for Sindh Workers' Welfare Fund		482,102	1,552,047
		<u>25,971,084</u>	<u>77,618,031</u>
(Increase) / decrease in assets			
Investments - net		283,591,278	200,505,275
Mark-up and other receivables		1,685,053	8,005,451
Receivable from the Management Company - net		(433,576)	-
Receivable against Margin Trading System (MTS)		1,131,526	51,947,031
		<u>285,974,281</u>	<u>260,457,757</u>
(Decrease) / increase in liabilities			
Payable to the Management Company		(1,093,381)	(1,338,266)
Payable to the Trustee		(25,139)	(92,744)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(874,370)	(519,331)
Payable against purchase of investments		(7,821,675)	7,821,675
Accrued and other liabilities		(551,959)	(9,867,168)
		<u>(10,366,524)</u>	<u>(3,995,834)</u>
Net cash generated from operating activities		<u>301,578,841</u>	<u>334,079,954</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		1,065,850,280	1,760,827,917
Amount paid against redemption of units		(1,340,060,073)	(2,921,000,829)
Dividend paid		(40,018,185)	-
Net cash used in financing activities		<u>(314,227,978)</u>	<u>(1,160,172,912)</u>
Net decrease in cash and cash equivalents during the year		<u>(12,649,137)</u>	<u>(826,092,958)</u>
Cash and cash equivalents at beginning of the year		202,948,181	1,029,041,139
Cash and cash equivalents at end of the year	4	<u><u>190,299,044</u></u>	<u><u>202,948,181</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalaha GHP Income Multiplier Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on March 08, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on February 14, 2007. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/NBFC-II/AGIMF/573/2010 dated October 13, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Multiplier Fund.

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

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

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

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (positive outlook) dated August 9, 2019 to the Management Company and a stability rating of A+(f) dated Apr 17, 2019 to the Fund.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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

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

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 01, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 01, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 01, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.2)
- Taxation (notes 3.7 and 16)

2.5 Accounting convention

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

The Fund can only invest in equity securities for the purpose of spread transactions.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 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.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement at the date at which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term finance certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the income is recorded on receipt basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the income statement in the period in which they arise.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Margin Trading System

Transactions of purchase under Margin Trading System (MTS) of marketable securities are entered into contracted rates for specified periods of time. Securities purchased under MTS are not recognised in the Statement of Assets and Liabilities. The amount paid under such agreements is recognised as receivable in respect of MTS. Profit is recognised on an accrual basis using the effective interest method. Cash releases are adjusted against the receivable as a reduction in the amount of receivable. The maximum maturity of an MTS contract is 60 calendar days out of which 25 percent exposure is automatically released at expiry of every 15th day from the date of contract.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2019	2018
		----- (Rupees) -----	
4 BANK BALANCES			
Saving accounts	4.1	<u>190,299,044</u>	<u>202,948,181</u>

4.1 These balances in saving deposit accounts bear profit rates ranging from 6.80% to 13.60% (2018: 4% to 7.40%) per annum. This includes Rs 188.040 million (2018: Rs 16.88 million) placed with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	2019	2018
		----- (Rupees) -----	
At fair value through profit or loss			
Term finance certificates	5.1	74,012,244	252,600,205
Sukuk certificates	5.2	89,430,895	218,508,830
Market Treasury Bills	5.3	-	-
Pakistan Investment Bonds	5.4	22,208,624	-
		<u>185,651,763</u>	<u>471,109,035</u>

5.1 Term finance certificates

Name of the investee company	Secured / Unsecured	Maturity	Profit / mark-up rate	----- (Number of certificates) -----			----- (Rupees) -----						
				As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised loss as at June 30, 2019	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market	Market value as percentage of issue size
Askari Bank Limited	Unsecured	September 2024	6M Kibor + 1.20%	6,900	-	5,442	1,458	7,300,125	7,112,879	(187,246)	1.95%	3.83%	0.18%
Jahangir Siddiqui & Company Limited	Secured	June 2021	6M Kibor + 1.65%	10,000	-	10,000	-	-	-	-	-	-	-
Habib Bank Limited	Unsecured	February 2026	6M Kibor + 0.50%	379	-	250	129	12,723,463	12,681,267	(42,196)	3.47%	6.83%	0.13%
JS Bank Limited	Secured	December 2023	6M Kibor + 1.40%	6,100	-	1,000	5,100	25,662,672	25,584,830	(77,842)	7.01%	13.78%	0.85%
The Bank of Punjab	Unsecured	December 2026	6M Kibor + 1.00%	949	-	710	239	24,411,576	23,643,308	(768,268)	6.48%	12.74%	0.95%
TPL Corporation Limited	Unsecured	December 2019	3M Kibor + 1.50%	150	-	-	150	5,009,309	4,989,960	(19,349)	1.37%	2.69%	0.42%
As at 30 June 2019								<u>75,107,145</u>	<u>74,012,244</u>	<u>(1,094,901)</u>	<u>20.28%</u>	<u>39.87%</u>	
As at 30 June 2018								<u>253,124,676</u>	<u>252,600,205</u>	<u>(524,471)</u>	<u>38.52%</u>	<u>53.62%</u>	

5.2 Sukuk certificates

Name of the investee company	Secured / Unsecured	Maturity	Profit / mark-up rate	----- (Number of certificates) -----			----- (Rupees) -----						
				As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised (loss) / gain as at June 30, 2019	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market	Market value as percentage of issue size
Dubai Islamic Bank Pakistan Limited	Secured	July 2027	6M Kibor + 0.50%	20	-	1	19	19,355,376	19,355,376	-	5.30%	10.43%	0.48%
Dawood Hercules Corporation Limited	Secured	November 2022	3M Kibor + 1.00%	480	-	350	130	11,723,400	11,661,519	(61,881)	3.19%	6.28%	0.22%
Dawood Hercules Corporation Limited	Secured	March 2023	3M Kibor + 1.00%	600	-	540	60	6,003,875	5,988,000	(15,875)	1.64%	3.23%	0.10%
International Brands Limited	Secured	November 2021	12M Kibor + 0.50%	900	-	620	280	28,000,000	27,426,000	(574,000)	7.51%	14.77%	0.97%
The Hub Power Company Limited	Unsecured	November 2019	3M Kibor + 1.00%	-	6,000	1,000	5,000	25,000,000	25,000,000	-	6.85%	13.47%	0.63%
As at 30 June 2019								<u>90,082,651</u>	<u>89,430,895</u>	<u>(651,756)</u>	<u>24.50%</u>	<u>48.17%</u>	
As at 30 June 2018								<u>218,000,000</u>	<u>218,508,830</u>	<u>508,830</u>	<u>33.34%</u>	<u>46.37%</u>	

5.3 Market Treasury bills

Particulars	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised (loss) / gain as at June 30, 2019	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
	----- (Face value) -----				----- (Rupees) -----				
Maturity upto 3 months	-	326,000,000	326,000,000	-	-	-	-	-	-
As at 30 June 2019					-	-	-	-	-
As at 30 June 2018					-	-	-	-	-

5.4 Pakistan Investment Bonds

Particulars	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised loss as at June 30, 2019	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
	----- (Face value) -----				----- (Rupees) -----				
Pakistan Investment Bonds - 03 years	-	70,000,000	45,000,000	25,000,000	22,327,961	22,208,624	(119,337)	6.08%	11.96%
As at 30 June 2019					22,327,961	22,208,624	(119,337)	6.08%	11.96%
As at 30 June 2018					-	-	-	-	-

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

	Note	2019	2018
		----- (Rupees) -----	
Market value of investment as at June 30	5.1, 5.2, 5.3 and 5.4	185,651,763	471,109,035
Less: Carrying value of investment as at June 30	5.1, 5.2, 5.3 and 5.4	<u>(187,517,757)</u>	<u>(471,124,676)</u>
		<u>(1,865,994)</u>	<u>(15,641)</u>

5.6 Term finance certificates - Impaired

Name of the investee company	Secured / Unsecured	Maturity	Profit / mark-up rate	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at June 30, 2019	Carrying value as at June 30, 2019	Impairment as at June 30, 2019	Market value as at June 30, 2019	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market	Market value as percentage of issue size
				----- (Number of certificates) -----				----- (Rupees) -----			----- (%) -----		
Trust Investment Bank Limited (note 5.6.1)	Unsecured	July 2013	6M Kibor + 1.85%	8,000	-	-	8,000	14,994,000	14,994,000	-	-	-	-
AgriTech Limited (note 5.6.2)	Secured	November 2017	6M Kibor + 1.75%	17,950	-	-	17,950	89,666,353	89,666,353	-	-	-	-
AgriTech Limited-IV (note 5.6.3)	Secured	January 2015	Zero Coupon	4,094	-	-	4,094	20,470,000	20,470,000	-	-	-	-
As at 30 June 2019							-	125,130,353	125,130,353	-	-	-	-
As at 30 June 2018								125,130,353	125,130,353	-	-	-	-

- 5.6.1 These term finance certificates defaulted on their payment of principal and mark-up due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on these TFCs had been suspended and mark-up due amounting Rs 1.437 million had been reversed and full provision has been made in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.
- 5.6.2 In prior years, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from November 29, 2014 to November 29, 2017. Consequently, the security was classified as non-performing by MUFAP on June 14, 2010 and accrual of income on these TFCs was suspended. Accordingly, the security had been fully provided in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.
- 5.6.3 This represents additional certificates of Agritech Limited received by the Fund through restructuring agreement reached between lenders and Agritech Limited. Under such agreement, outstanding mark up due on May 29, 2011 and July 13, 2011 against 1st and 2nd issue respectively amounting to Rs 20.47 million was settled in the form of certificates valuing Rs 20.47 million. This investment has been fully provided since these have been received in lieu of suspended overdue mark-up to be recognised to income upon realisation.

5.7 Particulars of impairment in the value of investments	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Opening balance		125,130,353	126,687,653
Add: Provision		-	-
Less: Reversal of provision upon sale		-	(1,557,300)
Closing balance		<u>125,130,353</u>	<u>125,130,353</u>

6 SECURITY DEPOSITS

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	<u>2,750,000</u>	<u>2,750,000</u>
	<u>2,850,000</u>	<u>2,850,000</u>

7 MARK-UP AND OTHER RECEIVABLES

Mark-up receivable on:			
- Term finance certificates		1,347,379	1,971,200
- Sukuk certificates		3,706,724	5,934,919
- Bank balances		1,715,541	1,387,741
- Margin trading system		-	10,788
- PIB		849,951	-
Advance tax	7.1	150,962	150,962
Security margin with National Clearing Company of Pakistan Limited		<u>2,053,310</u>	<u>2,053,310</u>
		<u>9,823,867</u>	<u>11,508,920</u>

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, as at June 30, 2019, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs 150,962.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 RECEIVABLE FROM THE MANAGEMENT COMPANY - NET

8 RECEIVABLE FROM THE MANAGEMENT COMPANY - NET	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Reimbursement from the Management Company	8.1	753,454	-
Less: management remuneration payable		<u>(319,878)</u>	-
Receivable from the Management Company		<u>433,576</u>	-

- 8.1 The Total expense Ratio (TER) of the Fund is required to be within the maximum limit as prescribed under the NBFC Regulations. The respective regulation was revised on June 20, 2019 whereby the maximum limit of TER for a collective investment scheme categorised as an aggressive income scheme was revised from 2% to 2.5%. The TER of the Fund was 2.01% and the management company restricted itself to the previous applicable limit i.e 2%. As a result, the Fund has recorded reimbursement from the Management Company for the excess amount.

9 PAYABLE TO THE MANAGEMENT COMPANY	Note	2019	2018
		----- (Rupees) -----	
Management remuneration payable	9.1	-	808,365
Sindh sales tax payable on management remuneration	9.2	1,616,821	1,778,082
Federal excise duty payable on management remuneration	9.3	11,439,981	11,439,981
Payable against allocated expenses	9.4	29,802	567,674
Payable against selling and marketing expenses	9.5	684,845	213,148
Sales load payable		1,514,904	1,572,484
		<u>15,286,353</u>	<u>16,379,734</u>

- 9.1 The Management Company has charged remuneration at the rate of 1.25% (2018: 1.25%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2 During the year, an amount of Rs. 0.581 million (2018: Rs. 2.574 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.743 million (2018: Rs. 2.706 million) has been paid to the Management Company which acts as a collecting agent.
- 9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 11.439 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 1.67 (2018: Re 0.97) per unit.

- 9.4 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year in accordance with the relevant regulation.

10 PAYABLE TO THE TRUSTEE	Note	2019	2018
		----- (Rupees) -----	
Trustee remuneration payable	10.1	43,504	60,006
Sindh sales tax payable on trustee remuneration	10.2	5,642	14,279
		<u>49,146</u>	<u>74,285</u>

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	0.17% per annum of net assets
Rs 1 billion to Rs 5 billion	Rs 1.7 million plus 0.085% per annum of net assets exceeding Rs 1 billion

10.2 During the year, an amount of Rs 0.092 million (2018: Rs. 0.281 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.101 million (2018: Rs. 0.292 million) was paid to the Trustee which acts as a collecting agent.

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2019	2018
		----- (Rupees) -----	
Annual fee payable to the SECP	11.1	<u>313,448</u>	<u>1,187,818</u>

11.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 (2018: 0.075) percent of the average annual net assets of the Fund.

12 ACCRUED AND OTHER LIABILITIES	Note	2019	2018
		----- (Rupees) -----	
Provision for Sindh Workers' Welfare Fund	12.1	4,938,251	4,456,149
Withholding tax payable		652,425	674,321
Annual rating fee payable		-	359,890
Auditors' remuneration payable		197,323	209,431
Settlement charges payable		92,162	101,468
Printing charges payable		64,508	88,000
Brokerage payable		2,728	44,085
Others		<u>2,468,039</u>	<u>2,551,949</u>
		<u>8,415,436</u>	<u>8,485,293</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.72 (2018: Re 0.38) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

14 PROFIT / MARK-UP INCOME		2019	2018
		----- (Rupees) -----	
Profit / mark-up income on:			
- Sukuk certificates and term finance certificates		23,711,789	46,540,449
- Market Treasury Bills		1,563,475	3,649,899
- Pakistan Investment Bonds		400,903	-
- Term deposit receipts		-	6,218,136
- Bank balances		13,916,259	49,515,374
- Margin trading system		<u>2,231,257</u>	<u>4,952,689</u>
		<u>41,823,683</u>	<u>110,876,547</u>

15 AUDITORS' REMUNERATION

Audit fee	135,000	120,000
Review and other certifications	115,000	110,000
Out of pocket expenses	33,689	28,714
Sindh sales tax	<u>22,695</u>	<u>18,400</u>
	<u>306,384</u>	<u>277,114</u>

16 TAXATION

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

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 2.36% which includes 0.35% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an aggressive income scheme. However, the management has restricted TER to 2% and has recorded reimbursement from the Management Company for the excess amount exceeding 2%.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

18.1 Unit Holder's Fund

Note	2019										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
	Units					(Rupees)					
Associated Companies / Undertakings											
Alfalah GHP Investment Management Limited	18.1.1	117	-	11	-	128	6,536	-	606	-	6,838
Alfalah GHP Prosperity Planning Fund *	18.1.1	5,387,544	17,216,077	542,341	18,405,223	4,740,739	300,961,721	923,087,907	28,884,352	984,629,655	252,523,379
Key management personnel (Employees)											
Chief Financial Officer	18.1.1	10	-	1	-	11	539	-	55	-	586
Marketing Head	18.1.1	8	-	1	-	9	425	-	40	-	461
	2018										
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
	Units					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Investment Management Limited		466,142	-	-	466,025	117	24,822,078	-	-	25,000,000	6,536
Alfalah GHP Prosperity Planning Fund		3,594,668	8,596,093	-	6,803,217	5,387,544	191,416,071	459,500,000	-	368,900,000	300,961,721
Key management personnel (Employees)											
Chief Financial Officer		-	10	-	-	10	-	551	-	-	559

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2019.

18.1.1 This reflects the position of related party / connected person status as at June 30, 2019.

	2019	2018
	----- (Rupees) -----	
18.2 Other transactions		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	4,472,199	19,797,728
Sindh sales tax on remuneration of the Management Company	581,387	2,573,686
Allocated expenses	417,920	1,583,676
Selling and marketing expenses	1,111,682	213,148
Sales load	1,759,174	1,836,945
Bank Alfalah Limited		
Mark-up on bank balances	3,040,609	1,287,279
Bank charges	33,842	65,688
Mark-up income on term finance certificates	-	71,923
Sales load	-	301,896
Alfalsh GHP Value Fund		
Sukuk certificates - sold	20,733,300	-
Term finance certificates - sold	14,796,117	-
Alfalsh GHP Money Market Fund		
Market Treasury Bills - purchased	19,588,640	-
Market Treasury Bills - sold	19,383,540	-
Term finance certificates - sold	5,000,000	-
Alfalsh GHP Sovereign Fund		
Treasury bills - purchased	20,700,372	-
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	710,122	2,164,139
Sindh sales tax on remuneration of the Trustee	92,316	281,332
CDS charges	22,645	262,662
18.3 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	-	808,365
Sindh sales tax payable on management remuneration	1,616,821	1,778,082
Federal excise duty payable on management remuneration	11,439,981	11,439,981
Payable against allocated expenses	29,802	567,674
Payable against selling and marketing expenses	684,845	213,148
Sales load payable	1,514,904	1,572,484
Receivable against management remuneration	433,576	-
Bank Alfalah Limited		
Bank balance	188,040,438	16,881,587
Mark-up receivable on bank balance	1,387,517	34,354
Sales load payable	-	33,875
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	43,504	60,006
Sindh sales tax payable on trustee remuneration	5,642	14,279
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial assets			
Bank balances	190,299,044	-	190,299,044
Investments	-	185,651,763	185,651,763
Security deposits	2,850,000	-	2,850,000
Mark-up and other receivables	9,672,905	-	9,672,905
Receivable from the Management Company - net	433,576	-	433,576
	203,255,525	185,651,763	388,907,288

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	15,286,353	15,286,353
Payable to the Trustee	-	49,146	49,146
Accrued and other liabilities	-	2,824,760	2,824,760
	-	18,160,259	18,160,259

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial assets			
Bank balances	202,948,181	-	202,948,181
Investments	-	471,109,035	471,109,035
Security deposits	2,850,000	-	2,850,000
Mark-up and other receivables	11,357,958	-	11,357,958
Receivable against Margin Trading System (MTS)	1,131,526	-	1,131,526
	218,287,665	471,109,035	689,396,700

Particulars	2018		
	At fair value through profit or loss'	At amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	16,379,734	16,379,734
Payable to the Trustee	-	74,285	74,285
Payable against purchase of investments	-	7,821,675	7,821,675
Accrued and other liabilities	-	3,354,823	3,354,823
	-	27,630,517	27,630,517

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

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

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2019	2018
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balance	190,299,044	202,948,181
Term finance certificates	74,012,244	252,600,205
Sukuk certificates	89,430,895	218,508,830
	<u>353,742,183</u>	<u>674,057,216</u>
Fixed rate instrument		
Pakistan Investment Bond	<u>22,208,624</u>	<u>-</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.07 million (2018: Rs 0.09 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.12 million (2018: Rs Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	As at June 30, 2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.80% - 13.60%	190,299,044	-	-	-	190,299,044
Investments	6.7%-14.45%	86,789,001	98,862,762	-	-	185,651,763
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	9,672,905	9,672,905
Receivable from the Management Company - net		-	-	-	433,576,433,576	433,576,433,576
Sub total		<u>277,088,045</u>	<u>98,862,762</u>	<u>-</u>	<u>12,956,481</u>	<u>388,907,288</u>

Particulars	As at June 30, 2019					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				
Financial liabilities						
Payable to the Management Company		-	-	-	15,286,353	15,286,353
Payable to the Trustee		-	-	-	49,146	49,146
Accrued and other liabilities		-	-	-	2,824,760	2,824,760
Sub total		-	-	-	18,160,259	18,160,259
On-balance sheet gap		277,088,045	98,862,762	-	(5,203,778)	370,747,029
Total interest rate sensitivity gap		277,088,045	98,862,762	-	(5,203,778)	370,747,029
Cumulative interest rate sensitivity gap		277,088,045	375,950,807	375,950,807		

Particulars	As at June 30, 2018					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		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	4%-7.40%	202,948,181	-	-	-	202,948,181
Investments	6.92%-8.67%	195,120,590	275,988,445	-	-	471,109,035
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	11,357,958	11,357,958
Receivable against Margin Trading System (MTS)		-	-	-	1,131,526	1,131,526
Sub total		398,068,771	275,988,445	-	15,339,484	689,396,700
Financial liabilities						
Payable to the Management Company		-	-	-	16,379,734	16,379,734
Payable to the Trustee		-	-	-	74,285	74,285
Payable against purchase of investments		-	-	-	7,821,675	7,821,675
Accrued and other liabilities		-	-	-	3,354,823	3,354,823
Sub Total		-	-	-	27,630,517	27,630,517
On-balance sheet gap		398,068,771	275,988,445	-	(12,291,033)	661,766,183
Total interest rate sensitivity gap		398,068,771	275,988,445	-	(12,291,033)	661,766,183
Cumulative interest rate sensitivity gap		398,068,771	674,057,216	674,057,216		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at reporting date, the Fund is not exposed to price risk.

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, mark-up and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	190,299,044	190,299,044	202,948,181	202,948,181
Investments	185,651,763	163,443,139	471,109,035	471,109,035
Security deposits	2,850,000	2,850,000	2,850,000	2,850,000
Mark-up and other receivables	9,672,905	9,672,905	11,357,958	11,357,958
Receivable from the Management Company - net	433,576	433,576	-	-
Receivable against Margin Trading System (MTS)	-	-	1,131,526	1,131,526
	<u>388,907,288</u>	<u>366,698,664</u>	<u>689,396,700</u>	<u>689,396,700</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in government securities of Rs 22.2 million (2018: Rs Nil) is not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2019 and June 30, 2018, except as specified in note 5.6 to these financial statements.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating agency	Rating	2019	2018
			Percentage of total bank	
BankIslami Pakistan Limited	PACRA	A1	0.02%	0.02
Habib Bank Limited	JCR-VIS	A-1+	0.07%	0.06
National Bank of Pakistan	PACRA	A1+	0.18%	0.16
Bank Alfalah Limited	PACRA	A1+	98.81%	8.28
Faysal Bank Limited	PACRA	A1+	0.00%	0.0004
Allied Bank Limited	PACRA	A1+	0.02%	0.27
Bank AL Habib Limited	PACRA	A1+	0.18%	0.16
JS Bank Limited	PACRA	A1+	0.18%	90.87
NRSP Microfinance Bank Limited	JCR-VIS	A1	0.17%	0.14
Telenor Microfinance Bank Limited	JCR-VIS	A1	0.01%	0.005
Zarai Taraqiyati Bank Limited	JCR-VIS	A-1+	0.04%	0.03
Samba Bank Limited	JCR-VIS	A-1	0.03%	0.005
Central Depository Company	N/A	N/A	0.00%	-
Soneri Bank	PACRA	A1+	0.09%	-
Silk Bank	JCR-VIS	A-2	0.20%	-
			<u>100.00%</u>	<u>100.00</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

20.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2019 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2019	2018
			----- (%) -----	
Term finance certificates (TFCs)				
Askari Bank Limited	JCR-VIS	AA+	9	14
Jahangir Siddiqui and Company Limited	PACRA	AA-	-	15
Habib Bank Limited	JCR-VIS	AAA	17	15
JS Bank Limited	PACRA	AA-	35	12
The Bank of Punjab	PACRA	AA	32	38
TPL Corporation Limited	PACRA	A	7	6
Trust Investment Bank Limited	Non Performing		-	-
Security Leasing Corporation Limited	Non Performing		-	-
Agritech Limited	Non Performing		-	-
			<u>100</u>	<u>100</u>
Sukuk certificates				
Dubai Islamic Bank Pakistan Limited	JCR-VIS	AA	21	9
Dawood Hercules Corporation Limited	PACRA	AA	13	22
Dawood Hercules Corporation Limited	PACRA	AA	7	28
International Brands Limited	JCR-VIS	A	31	41
Hub Power Company Limited	PACRA	AA+	28	-
			<u>100</u>	<u>100</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

20.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the 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 mainly held with various banks and securities issued by the entities having reasonably high credit rating.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	190,299,044	-	-	-	190,299,044
Investments	-	-	29,989,960	155,661,803	185,651,763
Security deposits	2,850,000	-	-	-	2,850,000
Mark-up and other receivables	9,672,905	-	-	-	9,672,905
Receivable from the Management Company - net	433,576	-	-	-	433,576
	<u>203,255,525</u>	<u>-</u>	<u>29,989,960</u>	<u>155,661,803</u>	<u>388,907,288</u>
Financial liabilities					
Payable to the Management Company	15,286,353	-	-	-	15,286,353
Payable to the Trustee	49,146	-	-	-	49,146
Accrued and other liabilities	94,890	2,729,870	-	-	2,824,760
	<u>15,430,389</u>	<u>2,729,870</u>	<u>-</u>	<u>-</u>	<u>18,160,259</u>
Net assets	<u>187,825,136</u>	<u>(2,729,870)</u>	<u>29,989,960</u>	<u>155,661,803</u>	<u>370,747,029</u>

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Rupees					
Financial assets					
Bank balances	202,948,181	-	-	-	202,948,181
Investments	-	-	-	471,109,035	471,109,035
Security deposits	2,850,000	-	-	-	2,850,000
Mark-up and other receivables	3,451,839	2,165,125	5,740,994	-	11,357,958
Receivable against Margin Trading System (MTS)	1,131,526	-	-	-	1,131,526
	210,381,546	2,165,125	5,740,994	471,109,035	689,396,700
Financial liabilities					
Payable to the Management Company	16,379,734	-	-	-	16,379,734
Payable to the Trustee	74,285	-	-	-	74,285
Payable against purchase of investments	7,821,675	-	-	-	7,821,675
Accrued and other liabilities	145,553	3,209,270	-	-	3,354,823
	24,421,247	3,209,270	-	-	27,630,517
Net assets	<u>185,960,299</u>	<u>(1,044,145)</u>	<u>5,740,994</u>	<u>471,109,035</u>	<u>661,766,183</u>

20.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following financial instruments measured at fair values:

As at June 30, 2019				
	Level 1	Level 2	Level 3	Total
Rupees				
Financial assets at 'fair value through profit or loss'				
Term finance certificates	-	74,012,244	-	74,012,244
Sukuk certificates	-	89,430,895	-	89,430,895
Pakistan Investment bonds	-	22,208,624	-	22,208,624

As at June 30, 2018				
	Level 1	Level 2	Level 3	Total
Rupees				
Financial assets at 'fair value through profit or loss'				
Term finance certificates	-	252,600,205	-	252,600,205
Sukuk certificates	-	218,508,830	-	218,508,830

During the year ended June 30, 2019, 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.

20.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive of the Management 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 as 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's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

Figures have been rounded off to the nearest rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	189	961,903	51,237,381	14%
Associated Co./ Directors	1	129	6,859	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	8	679,430	36,190,975	10%
Others	15	5,210,738	277,558,809	76%
	213	6,852,199	364,994,024	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	176	2,551,416	142,528,503	22%
Associated Co./ Directors	1	117	6,558	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	17	7,959,610	444,643,735	68%
Others	9	1,224,793	68,420,062	10%
	203	11,735,937	655,598,857	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
BIPL Securities Limited	53%
JS Global Capital Limited	8%
Next Capital Limited	29%
BMA Capital Management Limited	3%
Bright Capital Limited	2%
Invest One Markets Limited	2%
Continental Exchange Pvt Limited	3%
	30 June 2018
	%
JS Global Capital Limited	32%
BMA Capital Management Limited	28%
Invest Capital Markets Limited	21%
BIPL Securities Limited	7%
Next Capital Limited	6%
C&M Management (Pvt.) Limited	2%
EFG Hermes Pakistan Limited	2%
Magenta Capital (Pvt.) Limited	1%
Summit Capital (Pvt.) Limited	0%
Arif Habib Limited	0%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGIMF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Net Assets (Rupees in '000)	364,994	655,599	1,739,721	1,504,660	1,706,002
NAV per unit	53.2667	55.8625	53.2500	53.0087	50.6291
Selling price per unit	55.0724	57.7562	55.0552	55.1117	52.6553
Redemption price per unit	53.2667	55.8625	53.2500	53.0087	50.6291
Highest selling price per unit	58.3182	57.8210	57.9532	57.0332	57.6340
Highest redemption price per unit	56.4060	55.9251	56.0530	54.8569	55.4162
Lowest selling price per unit	54.8429	55.0669	54.8341	52.6565	50.0379
Lowest redemption price per unit	53.0447	53.2613	53.0362	50.6472	48.0963
Total interim distribution per unit	3.3186	N/A	2.8811	1.8737	4.248
Interim distribution date	30-Jun-19	N/A	22-Jun-17	29-Jun-16	26-Jun-15
	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	N/A	2.6124	N/A	N/A	N/A
Final distribution date	N/A	2-Jul-18	N/A	N/A	N/A
Annualized returns	6.26%	4.90%	5.90%	8.38%	14.18%
Income distribution	6.23%	4.91%	5.44%	3.70%	8.84%
Weighted avg. portfolio duration	2.755 Yrs	4.08 Yrs	2.65 Yrs	3.99 Yrs	2.86 Yrs

Return since inception is **6.00%**

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



**Alfalah GHP
Islamic Income Fund**

FUND INFORMATION

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

Alfalah GHP Islamic Income Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant (Islamic) Income Scheme

Investment Objective

To minimize risk, construct a liquid portfolio of shariah approved fixed income instruments and provide competitive returns to the unit holders.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive return as compared to peer funds with minimum possible risk through investing in low duration shariah compliant fixed income instruments within the guidelines provided under NBFC rules.

Money Market Review

Pakistan's GDP posted a growth of 3.3% in FY19 as compared to 5.5% in FY18. Headline inflation rose up to 7.3% as compared to 3.9% in the same period last year. However, the CPI last quarter spiked up to 8.9% owing to the hike in oil prices and hefty depreciation of PKR which fell by 13.7% by the end of quarter. Measures taken by the incumbent government in order to control twin deficits in form of currency depreciation and monetary tightening started to bear fruit during the last quarter of the fiscal year.

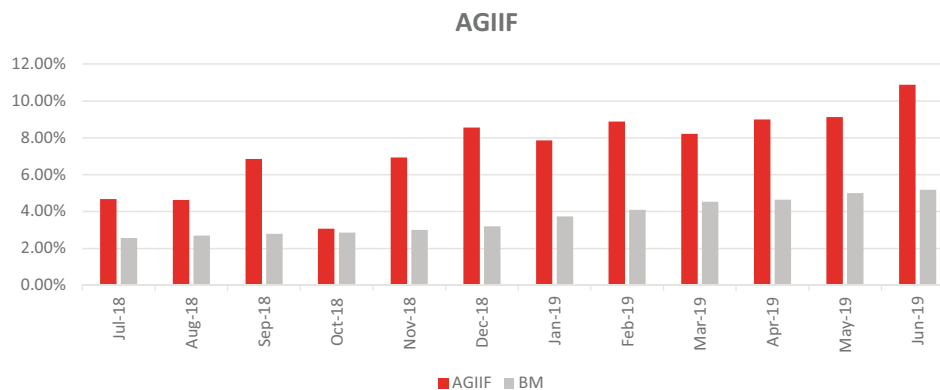
The yield curve shifted upwards during the fiscal year due to continued expectation of monetary tightening as a result majority of the bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. During the year, the central bank was able to fetch PKR 18 trillion with majority of the participation witnessed in 3 month tenor. Through PIBs, the central bank was able to fetch PKR 708 billion against the target of PKR 800 billion with majority of the participation witnessed in 3 years followed by 5 years and 10 years.

Going forward, the recent statement from monetary policy committee suggests that the adjustments related to interest rates and the exchange rate from the previously accumulated imbalances has taken place, however any unanticipated increases in inflation that adversely affect the inflation outlook may lead to further modest tightening.

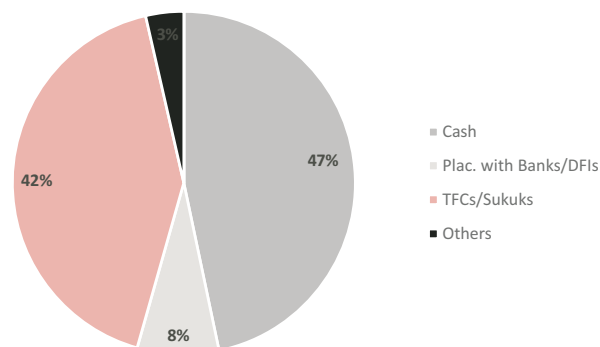
Fund Performance

For the year ended June 30 2019, the fund posted a return of 7.60% against the benchmark of 3.69%. During the period fund operated with the strategy of providing consistent and stable returns. In line with the strategy, the fund maintained a balanced exposure in bank deposits and higher credit quality corporate Sukuks in order to achieve competitive returns.

Performance comparison with Benchmark



**Asset Allocation
(as at June 2019)**



Credit Quality (as % of Total Assets)			
Govt. Guar.	14.99%	A	0.00%
AAA	0.43%	A-	0.00%
AA+	58.41%	BBB+	0.00%
AA	14.62%	BBB	0.00%
AA-	6.98%	Below IG	0.00%
A+	0.01%	NR/UR	4.57%

Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Maq. Shafr-e-Faisal
Keeche - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC INCOME 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 Islamic Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019





SHARIAH REVIEW REPORT ALFALAH GHP ISLAMIC INCOME FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Income Fund ('AGIIF') (formerly IGI Islamic Income Fund) managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplemental Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor, we have reviewed and given approval for investment in following avenues during the period from July 01, 2018 to June 30, 2019.

Investment Head	Investment Avenue
<i>Sukuk</i>	<i>Approved Shariah Compliant Sukuk</i>

We hereby certify that all the above mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2019, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Atta Ullah
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Income Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2019. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 25, 2019

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The investments and bank balances constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 2,326.888 million and bank balances aggregated to Rs 2,220.410 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
As AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	2,220,409,931	2,486,991,747
Investments	5	2,326,888,447	1,915,906,160
Profit receivable	6	91,320,067	58,785,218
Deposits and other receivables	7	1,746,469	1,741,837
Total assets		<u>4,640,364,914</u>	<u>4,463,424,962</u>
Liabilities			
Payable to the Management Company	8	13,729,696	9,822,068
Payable to the Trustee	9	501,877	529,558
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	3,356,221	4,517,041
Payable against redemption of units	11	-	3,913,726
Accrued and other liabilities		18,450,225	8,677,994
Total liabilities		<u>36,038,019</u>	<u>27,460,387</u>
Net assets attributable to the unit holders		<u>4,604,326,895</u>	<u>4,435,964,575</u>
Unit holders' fund (as per the statement attached)		<u>4,604,326,895</u>	<u>4,435,964,575</u>
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		<u>45,184,008</u>	<u>42,044,438</u>
		----- (Rupees) -----	
Net asset value per unit		<u>101.9017</u>	<u>105.5066</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Income			
Profit / mark up income	13	428,553,332	367,148,259
Loss on sale of investments - net		(3,363,594)	(12,458,432)
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	<u>(12,962,917)</u>	<u>(7,696,726)</u>
Total income		<u>412,226,821</u>	<u>346,993,101</u>
Expenses			
Remuneration of the Management Company	8.1	45,586,647	60,227,322
Sindh sales tax on remuneration of the Management Company	8.2	5,926,269	7,829,555
Allocated expenses	8.4	4,474,856	6,022,534
Selling and marketing expenses	8.5	11,218,283	1,358,104
Remuneration of the Trustee	9.1	4,653,189	5,808,517
Sindh sales tax on remuneration of the Trustee	9.2	604,909	755,118
Annual fee to Securities and Exchange Commission of Pakistan	10.1	3,356,221	4,517,041
Brokerage expense		99,078	168,268
Settlement and bank charges		225,177	194,404
Auditors' remuneration	14	298,784	319,341
Annual listing fee		27,440	27,450
Annual rating fee		17,054	164,980
Printing charges		79,987	-
Shariah advisory Fee		420,050	420,081
Provision for Sindh Workers' Welfare Fund	11.1	6,704,779	5,183,431
Total expenses		<u>83,692,723</u>	<u>92,996,146</u>
Net income for the year before taxation		<u>328,534,098</u>	<u>253,996,955</u>
Taxation	16	-	-
Net income for the year after taxation		<u>328,534,098</u>	<u>253,996,955</u>
Allocation of net income for the year			
Net income for the year after taxation		328,534,098	253,996,955
Income already paid on units redeemed		<u>(116,395,619)</u>	<u>(133,307,525)</u>
		<u>212,138,479</u>	<u>120,689,430</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		<u>212,138,479</u>	<u>120,689,430</u>
		<u>212,138,479</u>	<u>120,689,430</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Net income for the year after taxation	328,534,098	253,996,955
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>328,534,098</u></u>	<u><u>253,996,955</u></u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018			
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
	Rupees			Rupees			
Net assets at the beginning of the year	4,281,606,495	154,358,080	4,435,964,575	2,741,487,019	33,668,650	2,775,155,669	
Issuance of 76,049,243 units (2018: 75,643,535 units)							
- Capital value (at net asset value per unit at the beginning of the year)	7,698,867,930	-	7,698,867,930	7,657,795,959	-	7,657,795,959	
- Element of income	141,333,813	-	141,333,813	77,866,592	-	77,866,592	
Total proceeds on issuance of units	7,840,201,743	-	7,840,201,743	7,735,662,551	-	7,735,662,551	
Redemption of 72,909,673 units (2018: 60,984,577 units)							
- Capital value (at net asset value per unit at the beginning of the year)	7,381,032,619	-	7,381,032,619	6,173,791,948	-	6,173,791,948	
- Element of loss	34,921,174	116,395,619	151,316,793	21,751,127	133,307,525	155,058,652	
Total payments on redemption of units	7,415,953,793	116,395,619	7,532,349,412	6,195,543,075	133,307,525	6,328,850,600	
Total comprehensive income for the year	-	328,534,098	328,534,098	-	253,996,955	253,996,955	
Final distribution for the year ended June 30, 2018 @ Rs 4.2713 per unit on July 02, 2018	(59,681,678)	(119,902,726)	(179,584,404)	-	-	-	
1st interim distribution for the year ended June 30, 2019 @ Rs 4.5581 per unit on March 29, 2019	(65,026,903)	(120,106,099)	(185,133,002)	-	-	-	
2nd interim distribution for the year ended June 30, 2019 @ Rs 1.4397 per unit on May 29, 2019	(16,076,456)	(46,403,026)	(62,479,482)	-	-	-	
Final distribution for the year ended June 30, 2019 @ Re 0.9110 per unit on June 30, 2019	(5,149,861)	(35,677,360)	(40,827,221)	-	-	-	
Total distributions during the year	(145,934,898)	(322,089,211)	(468,024,109)	-	-	-	
Net assets at the end of the year	4,559,919,547	44,407,348	4,604,326,895	4,281,606,495	154,358,080	4,435,964,575	
	(Rupees)			(Rupees)			
Undistributed income brought forward							
- Realised income		162,054,806			8,656,167		
- Unrealised (loss) / income		(7,696,726)			25,012,483		
		154,358,080			33,668,650		
Accounting income available for distribution							
- Relating to capital gains		-			-		
- Excluding capital gains		212,138,479			120,689,430		
		212,138,479			120,689,430		
Final distribution for the year ended June 30, 2018 @ Rs 4.2713 per unit on July 02, 2018		(119,902,726)			-		
1st interim distribution for the year ended June 30, 2019 @ Rs 4.5581 per unit on March 29, 2019		(120,106,099)			-		
2nd interim distribution for the year ended June 30, 2019 @ Rs 1.4397 per unit on May 29, 2019		(46,403,026)			-		
Final distribution for the year ended June 30, 2019 @ Re 0.9110 per unit on June 30, 2019		(35,677,360)			-		
Undistributed income carried forward		44,407,348			154,358,080		
Undistributed income carried forward							
- Realised income		57,370,265			162,054,806		
- Unrealised loss		(12,962,917)			(7,696,726)		
		44,407,348			154,358,080		
		(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		105.5066			101.2353		
Net asset value per unit at the end of the year		101.9017			105.5066		

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		328,534,098	253,996,955
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		12,962,917	7,696,726
Provision for Sindh Workers' Welfare Fund		6,704,779	5,183,431
		<u>348,201,794</u>	<u>266,877,112</u>
(Increase) / decrease in assets			
Investments - net		(458,945,204)	(25,290,237)
Deposits and other receivables		(4,632)	(1,637,730)
Profit receivable		(32,534,849)	(30,937,560)
		<u>(491,484,685)</u>	<u>(57,865,527)</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		3,907,628	3,358,235
Payable to the Trustee		(27,681)	99,593
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(1,160,820)	1,775,794
Payable against redemption of units		(3,913,726)	-
Accrued and other liabilities		3,067,452	(3,812,274)
		<u>1,872,853</u>	<u>1,421,348</u>
Net cash (used in) / generated from operating activities		<u>(141,410,038)</u>	<u>210,432,933</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(322,089,211)	-
Amounts received against issuance of units (net of refund of capital)		7,694,266,845	7,735,662,551
Payments made against redemption of units		(7,532,349,412)	(6,325,250,846)
Net cash (used in) / generated from financing activities		<u>(160,171,778)</u>	<u>1,410,411,705</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(301,581,816)</u>	<u>1,620,844,638</u>
Cash and cash equivalents at beginning of the year		2,881,991,747	1,261,147,109
Cash and cash equivalents at end of the year	17	<u><u>2,580,409,931</u></u>	<u><u>2,881,991,747</u></u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Islamic Income Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 3, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved third Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGIIF/240/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Income Fund.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies Rules (the NBFC Rules) through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi.
- 1.3 The Fund is categorised as a 'shariah compliant (Islamic) scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The investment objectives and policy are explained in the Fund's offering document.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019, and stability rating of AA-(f) to the Fund in its credit rating report dated April 17, 2019.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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

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

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVTPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVTPL. Accordingly, the Fund's investment portfolio is classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The Fund's investment in Term Deposit Receipts which were previously classified as "loans and receivables" and carried at amortised cost under IAS 39 would now be classified as 'at fair value through profit or loss' and carried at fair value under level 2.

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

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

	As at June 30, 2018 (as previously stated)	Change	As at July 1, 2018	As at June 30, 2019
----- (Rupees) -----				
Impact on Statement of Assets and Liabilities				
Investments - 'loans and receivables'	395,000,000	(395,000,000)	-	-
Investments - 'At fair value through profit or loss'	1,520,906,160	395,000,000	1,915,906,160	2,326,888,447

There is no impact on the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement of the Fund as a result of adoption of IFRS 9.

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

2.3 Standards, Interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 01, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 01, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 01, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1 and 5)
- ii. Impairment of financial assets (note 3.3.2)
- iii. Taxation (notes 3.7 and 16)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments classified as 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2 above.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and used that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL are to be recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

The Fund can only invest in equity securities for the purpose of spread transactions as approved by Shariah Advisor.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 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.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Unrealised gain or losses in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Gains or losses arising on sale of investments classified as 'financial assets at fair value through profit or loss' are classified in the income statement in the period in which they arise.
- Profit from Shariah Compliant debt securities and return on bank balances is recognised on an accrual basis using effective profit rate method.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee company declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4	Note	2019	2018
		----- (Rupees) -----	
BANK BALANCES			
Saving accounts	4.1	<u>2,220,409,931</u>	<u>2,486,991,747</u>
4.1 The rate of return on these accounts ranges from 4.75% to 13.60% (2018: 4.00% to 7.35%) per annum. These include a bank balance of Rs 14.78 million (2018: Rs 7.53 million) maintained with Bank Alfalah Limited (a related party).			
5	Note	2019	2018
		----- (Rupees) -----	
INVESTMENTS			
At fair value through profit or loss			
Sukuk Certificates	5.1	1,768,754,931	1,520,906,160
Term Deposit Receipts	5.2	360,000,000	-
Islamic Commercial Papers	5.3	198,133,516	-
		<u>2,326,888,447</u>	<u>1,520,906,160</u>
Loans and receivables			
Term Deposit Receipts		-	395,000,000
		<u>2,326,888,447</u>	<u>1,915,906,160</u>

5.1 Sukuk certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	(Number of certificates)				(Rupees)				Market value as a percentage of		Investment as percentage of issue size	Rating
				As at July 01, 2018	Purchased during the year	Matured / sold during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss) on revaluation of investments	net assets	total investment			
Hascol Petroleum Limited	3 Month Kibor + 1.50%	Secured	January 6, 2022	37,500	-	16,386	21,114	59,535,878	58,498,981	(1,036,897)	1.27%	2.51%	5.28%	AA	
K-Electric Limited	3 Month Kibor + 1.00%	Secured	June 17, 2022	4,504	-	4,504	-	-	-	-	-	-	-	-	
Meezan Bank Limited	6 Month Kibor + 0.50%	Secured	September 22, 2026	320	-	39	281	285,215,000	280,993,256	(4,221,744)	6.10%	12.08%	4.01%	AA	
Fatima Fertilizer Limited	6 Month Kibor + 1.10%	Secured	November 28, 2021	24,850	-	24,850	-	-	-	-	-	-	-	-	
International Brands Limited	12 Months Kibor + 0.50%	Secured	November 15, 2021	3,850	-	650	3,200	320,000,000	313,440,000	(6,560,000)	6.81%	13.47%	11.08%	AA	
Dawood Hercules Corporation Limited	3 Month Kibor + 1.00%	Secured	November 16, 2022	2,440	180	-	2,620	236,168,730	235,024,454	(1,144,276)	5.10%	10.10%	8.30%	AA	
Dubai Islamic Bank Pakistan	6 Month Kibor + 0.50%	Unsecured	July 14, 2027	310	-	-	310	315,798,240	315,798,240	-	6.86%	13.57%	7.89%	A+	
Hub Power Company Limited	3 Month Kibor + 1.00%	Unsecured	November 26, 2019	-	83,000	-	83,000	415,000,000	415,000,000	-	9.01%	17.83%	10.38%	A1+	
Hub Power Company Limited	3 Month Kibor + 1.00%	Unsecured	October 2, 2019	-	30,000	-	30,000	150,000,000	150,000,000	-	3.26%	6.45%	3.33%	A1+	
Total as at June 30, 2019								1,781,717,848	1,768,754,931	(12,962,917)	38.41%	76.01%	50.27%		
Total as at June 30, 2018								1,528,602,886	1,520,906,160	(7,696,726)	34.28%	79.37%			

5.2 Term Deposit Receipts

Name of the Bank	Maturity date	Rate of return per annum	Face value				Balance as at June 30, 2019		Market value as a percentage of		
			As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Carrying Value	Market Value	net assets	total investments	
BankIslami Pakistan Limited	April 15, 2019	11.05%	-	200,000,000	200,000,000	-	-	-	-	-	-
BankIslami Pakistan Limited	January 10, 2019	10.40%	-	450,000,000	450,000,000	-	-	-	-	-	-
BankIslami Pakistan Limited	February 11, 2019	10.45%	-	400,000,000	400,000,000	-	-	-	-	-	-
BankIslami Pakistan Limited	March 14, 2019	10.70%	-	445,000,000	445,000,000	-	-	-	-	-	-
BankIslami Pakistan Limited	September 19, 2018	7.50%	-	425,000,000	425,000,000	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited	July 26, 2018	6.70%	395,000,000	-	395,000,000	-	-	-	-	-	-
BankIslami Pakistan Limited	April 17, 2019	11.05%	-	200,000,000	200,000,000	-	-	-	-	-	-
BankIslami Pakistan Limited	October 29, 2018	8.25%	-	400,000,000	400,000,000	-	-	-	-	-	-
BankIslami Pakistan Limited	May 17, 2019	11.25%	-	400,000,000	400,000,000	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited	July 25, 2019	13.00%	-	360,000,000	-	360,000,000	360,000,000	360,000,000	7.82%	15.47%	
Total as at June 30, 2019			395,000,000	3,280,000,000	3,315,000,000	360,000,000	360,000,000	360,000,000	7.82%	15.47%	
Total as at June 30, 2018			-	1,595,000,000	1,200,000,000	395,000,000	395,000,000	395,000,000	8.90%	20.62%	

5.3 Islamic Commercial Papers

Name of the investee company	Rate of return per annum	As at July 01, 2018	Purchased during the year	Matured during the year	As at June 30, 2019	Balance as at June 30, 2019		Unrealised gain / (loss) on revaluation	Market value as a percentage of	
						Carrying Value	Market Value		net assets	total investments
						-----No. of Certificates-----Rupees-----				
K-Electric Limited	6 month Kibor+0.90%	-	202	-	202	198,133,516	198,133,516	-	4.30%	8.51%
Total as at June 30, 2019						198,133,516	198,133,516	-	4.30%	8.51%
Total as at June 30, 2018						-	-	-	-	-

5.3.1 The nominal value of these Islamic commercial papers is Rs 1,000,000 each.

5.4 Unrealised loss on revaluation of investments classified as financial assets at fair value through profit or loss' - net	Note	2019	2018
		----- (Rupees) -----	
Market value of investments		2,326,888,447	1,520,906,160
Less: Carrying value of investments		(2,339,851,364)	(1,528,602,886)
		<u>(12,962,917)</u>	<u>(7,696,726)</u>

6 PROFIT RECEIVABLE

Profit receivable on:

- Bank balances		29,488,832	17,331,515
- Sukuk certificates		60,164,378	41,018,661
- Term deposit receipts		1,666,857	435,042
		<u>91,320,067</u>	<u>58,785,218</u>

7 DEPOSITS AND OTHER RECEIVABLES

Advance tax	7.1	1,637,226	1,637,226
Security deposit with the Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
Prepaid listing fee		9,243	4,611
		<u>1,746,469</u>	<u>1,741,837</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs 1.64 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on debt instruments has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO THE MANAGEMENT COMPANY	Note	2019	2018
		----- (Rupees) -----	
Management remuneration payable	8.1	4,515,863	4,114,105
Sindh sales tax payable on management remuneration	8.2	703,522	650,616
Federal excise duty on management remuneration	8.3	779,745	779,745
Payable against allocated expenses	8.4	2,149,097	2,914,813
Selling and marketing expenses	8.5	5,574,826	1,358,104
Sales load payable to management company		6,643	4,685
		<u>13,729,696</u>	<u>9,822,068</u>

8.1 The Management Company has charged remuneration at the rate of 1% (2018: 1%) of average annual net assets of the Fund from July 1, 2018 till September 30, 2018. Effective from October 1, 2018, the Management Company charged remuneration at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the Rules & Regulations (which is currently restricted to 1.5% of average annual net assets of the scheme) provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.

8.2 During the year, an amount of Rs. 5.93 million (2018: Rs. 7.83 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.87 million (2018: Rs. 7.69 million) has been paid to the Management Company which acts as a collecting agent.

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.780 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.02 (2018: Re 0.02) per unit.

8.4 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for both the periods i.e. from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

8.5 The SECP has allowed the asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

9 PAYABLE TO THE TRUSTEE	Note	2019	2018
		----- (Rupees) -----	
Trustee Remuneration payable	9.1	445,886	470,379
Sindh sales tax payable on trustee remuneration	9.2	55,991	59,179
		<u>501,877</u>	<u>529,558</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 assets	Tariff per annum
Up to Rs.1 billion	0.17% p.a. of net assets.
Rs.1 billion to Rs.5 billion	Rs.1.7 million plus 0.085% p.a. of net assets exceeding Rs.1 billion.
Over Rs.5 billion	Rs.5.1 million plus 0.07% p.a. of net assets exceeding Rs.5 billion.

9.2 During the year, an amount of Rs. 0.60 million (2018: Rs. 0.76 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.61 million (2018: Rs. 0.74 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2019	2018
		----- (Rupees) -----	
Annual fee payable to the SECP	10.1	<u>3,356,221</u>	<u>4,517,041</u>

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES	Note	2019	2018
		----- (Rupees) -----	
Provision for Sindh Workers Welfare Fund	11.1	13,613,419	6,914,218
Brokerage charges		160,081	67,279
Auditors' remuneration		289,600	344,408
Annual rating fee		182,216	331,012
Printing charges		118,493	57,289
Shariah Advisory fee		686,156	266,106
Withholding tax and capital gains tax payable		2,433,339	443,524
Sales load payable		966,921	252,526
Others		-	1,632
		<u>18,450,225</u>	<u>8,677,994</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.30 (2018: Re 0.16) per unit.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	2019	2018
	----- (Rupees) -----	
13 PROFIT / MARK UP INCOME		
Profit / mark up income on:		
- Government of Pakistan Ijarah Sukuk	-	8,006,433
- Sukuk certificates	147,512,979	108,547,942
- Islamic Commercial Paper	7,487,406	-
- Bank balances	245,707,913	231,821,034
- Term deposit receipts	27,845,034	18,772,850
	<u>428,553,332</u>	<u>367,148,259</u>

14 AUDITORS' REMUNERATION

Audit fee	161,255	172,349
Review and other certifications	84,658	90,483
Out of pocket expenses	30,739	35,482
Sindh sales tax	22,132	21,027
	<u>298,784</u>	<u>319,341</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 1.87% which includes 0.37% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

	Note	2019	2018
		----- (Rupees) -----	
17 CASH AND CASH EQUIVALENTS			
Bank balances	4	2,220,409,931	2,486,991,747
Term Deposit Receipts	5.2	360,000,000	395,000,000
		<u>2,580,409,931</u>	<u>2,881,991,747</u>

18 NON SHARIAH COMPLIANT INCOME

According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2019, no such income is earned.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Arbitrium AG, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and the Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund. The transactions with connected persons are in the normal course of business and at contractual rates.

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

Remunerations to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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:

19.1 Unit Holders' Fund

Note	2019										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
	(Units)					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Investment Management Limited	19.1.1	53,984	-	5,209	-	59,193	5,695,668	-	529,171	-	6,031,867
Alfalah GHP Islamic Prosperity Planning Fund	19.1.1	27,453,697	29,756,314	2,693,532	41,658,891	18,244,652	2,896,546,228	3,074,500,000	273,531,963	4,306,100,000	1,859,161,055
Key Management Personnel											
Chief Investment Officer	19.1.1	-	6,374	50	-	6,424	-	650,041	5,146	-	654,617
Unit holder holding 10% or more units											
Al Hial Industries (Private) Limited	19.1.1	-	7,511,719	126,069	2,517,295	5,120,493	-	774,064,842	12,843,756	259,750,000	521,786,942

Note	2018										
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
	(Units)					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Investment Management Limited		1,536,276	27	-	1,482,319	53,984	155,525,362	2,725	-	150,000,000	5,695,668
Alfalah GHP Islamic Prosperity Planning Fund		18,850,160	43,090,359	-	34,486,822	27,453,697	1,908,301,603	4,401,066,787	-	3,585,200,000	2,896,546,228
Key Management Personnel											
Head of Marketing		3,338	-	-	3,338	-	337,923	-	-	341,117	340,148
Chief Investment Officer		-	1,913	-	1,913	-	-	200,000	-	200,409	-
Assistant Vice President - Human Resource		2,474	-	-	2,474	-	250,426	-	-	255,855	-

19.1.1 This reflects the position of related party / connected person status as at June 30, 2019.

19.2 Other transactions

	2019	2018
	(Rupees)	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	45,586,647	60,227,322
Sindh sales tax on remuneration of the Management Company	5,926,269	7,829,555
Allocated expenses	4,474,856	6,022,534
Selling and marketing expenses	11,218,283	1,358,104
Sales load	6,643	79,251

	2019	2018
	----- (Rupees) -----	
Bank Alfalah Limited		
Profit on bank balances	715,506	364,760
Bank charges	5,700	17,395
Sales load	1,428,872	451,069
Alfalah GHP Value Fund		
Sukuks - sold	64,174,500	-
Other related party		
Central Depository Company of Pakistan Limited (Trustee of the Fund)		
Remuneration of the Trustee	4,653,189	5,808,517
Sindh sales tax on remuneration of the Trustee	604,909	755,118
CDS charges	-	15,521

19.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	4,515,863	4,114,105
Sindh sales tax payable on management remuneration	703,522	650,616
Federal excise duty on management remuneration	779,745	779,745
Payable against allocated expenses	2,149,097	2,914,813
Selling and marketing expenses	5,574,826	1,358,104
Sales load payable to management company	6,643	4,685

Bank Alfalah Limited

Bank balance	14,780,575	7,531,455
Profit receivable	78,087	9,145
Sale load payable	966,921	252,526

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee	445,886	470,379
Sindh sales tax payable on trustee remuneration	55,991	59,179
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	2,220,409,931	-	2,220,409,931
Investments	-	2,326,888,447	2,326,888,447
Profit receivable	91,320,067	-	91,320,067
Deposits	100,000	-	100,000
	<u>2,311,829,998</u>	<u>2,326,888,447</u>	<u>4,638,718,445</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
Financial Liabilities			
Payable to the Management Company	-	13,729,696	13,729,696
Payable to the Trustee	-	501,877	501,877
Accrued and other liabilities	-	2,403,467	2,403,467
	-	16,635,040	16,635,040

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial Assets			
Bank balances	2,486,991,747	-	2,486,991,747
Investments	395,000,000	1,520,906,160	1,915,906,160
Profit receivable	58,785,218	-	58,785,218
Deposits	100,000	-	100,000
	2,940,876,965	1,520,906,160	4,461,783,125

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
Financial Liabilities			
Payable to the Management Company	-	9,822,068	9,822,068
Payable to the Trustee	-	529,558	529,558
Payable against redemption of units	-	3,913,726	3,913,726
Accrued and other liabilities	-	1,320,252	1,320,252
	-	15,585,604	15,585,604

21 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

20.1.1 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 currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's interest bearing financial instruments is as follows:

	Note	2019	2018
		----- (Rupees) -----	
Variable rate instruments (financial assets)			
Bank balances		2,220,409,931	2,486,991,747
Sukuk certificates		1,768,754,931	1,520,906,160
		<u>3,989,164,862</u>	<u>4,007,897,907</u>
Fixed rate instruments (financial assets)			
Islamic commercial papers		198,133,516	-
Term deposit receipts		360,000,000	395,000,000
		<u>558,133,516</u>	<u>395,000,000</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 1.17 million (2018: Rs 0.58 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.07 million (2018: Rs 3.95 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit 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	4.75 - 13.60	2,220,409,931	-	-	-	2,220,409,931
Investments	11.02 - 13.85	2,013,448,447	313,440,000	-	-	2,326,888,447
Profit receivable		-	-	-	91,320,067	91,320,067
Deposits and other receivables		-	-	-	100,000	100,000
Sub total		4,233,858,378	313,440,000	-	91,420,067	4,638,718,445
Financial liabilities						
Payable to the Management Company		-	-	-	13,729,696	13,729,696
Payable to the Trustee		-	-	-	501,877	501,877
Accrued and other liabilities		-	-	-	2,403,467	2,403,467
Sub total		-	-	-	16,635,040	16,635,040
On-balance sheet gap		<u>4,233,858,378</u>	<u>313,440,000</u>	<u>-</u>	<u>74,785,027</u>	<u>4,622,083,405</u>
Total profit rate sensitivity gap		<u>4,233,858,378</u>	<u>313,440,000</u>	<u>-</u>	<u>74,785,027</u>	<u>4,622,083,405</u>
Cumulative profit rate sensitivity gap		<u>4,233,858,378</u>	<u>4,547,298,378</u>	<u>4,547,298,378</u>		

2018					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
	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	4 - 7.35	2,486,991,747	-	-	-	2,486,991,747
Investments	6.70 - 7.91	1,442,539,560	473,366,600	-	-	1,915,906,160
Profit receivable		-	-	-	58,785,218	58,785,218
Deposits and other receivables		-	-	-	100,000	100,000
Sub total		3,929,531,307	473,366,600	-	58,885,218	4,461,783,125

Financial liabilities

Payable to the Management Company		-	-	-	9,822,068	9,822,068
Payable to the Trustee		-	-	-	529,558	529,558
Payable against redemption of units		-	-	-	3,913,726	3,913,726
Accrued and other liabilities		-	-	-	1,320,252	1,320,252
Sub total		-	-	-	15,585,604	15,585,604

On-balance sheet gap

3,929,531,307	473,366,600	-	43,299,614	4,446,197,521
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Total profit rate sensitivity gap

3,929,531,307	473,366,600	-	43,299,614	4,446,197,521
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Cumulative profit rate sensitivity gap

3,929,531,307	4,402,897,907	4,402,897,907
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20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at the reporting date, the Fund is not exposed to price risk.

21.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit receivable and deposit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	2,220,409,931	2,220,409,931	2,486,991,747	2,486,991,747
Investments	2,326,888,447	2,326,888,447	1,915,906,160	1,915,906,160
Profit receivable	91,320,067	91,320,067	58,785,218	58,785,218
Deposits	100,000	100,000	100,000	100,000
	4,638,718,445	4,638,718,445	4,461,783,125	4,461,783,125

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018

21.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating agency	Rating	2019	2018
			Percentage of total bank balances	
Soneri Bank Limited	PACRA	A1+	0.00%	12.47%
Bank Alfalah Limited	JCR-VIS	A1+	0.67%	0.30%
Silk / Emaan Islamic Banking Limited	JCR-VIS	A2	34.97%	0.00%
MCB Bank Limited	PACRA	A1+	0.0005%	0.0004%
Habib Bank Limited	JCR-VIS	A1+	42.35%	13.70%
Dubai Islamic Bank Limited	JCR-VIS	A1+	21.86%	12.18%
Bank Islami Pakistan Limited	PACRA	A1	0.12%	61.30%
National Bank of Pakistan	PACRA	A1+	0.03%	0.05%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2019.

21.2.3 Investments

The Fund held investments in term deposit receipt, islamic commercial paper and sukuk certificates at June 30, 2019 with entities having following credit ratings:

Name of Entity	Rating agency	Rating	2019	2018
			Percentage of total balance	
Hascol Petroleum Limited	JCR-VIS	AA-	2.51%	9.48%
K-Electric Limited	JCR-VIS	AA	8.51%	1.20%
Meezan Bank Limited	JCR-VIS	AA+	12.08%	21.36%
Fatima Fertilizer Limited	PACRA	AA-	0.00%	5.81%
International Brands Limited	JCR-VIS	A	13.47%	25.31%
Dawood Hercules Corporation Limited	PACRA	AA	10.10%	16.08%
Dubai Islamic Bank Pakistan	JCR-VIS	AA-	29.04%	20.76%
Hub Power Company Limited	PACRA	AA+	24.29%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2019.

21.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the 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 mainly held with various banks and securities issued by the entities having reasonably high credit rating.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	2,220,409,931	-	-	-	2,220,409,931
Investments	360,000,000	198,133,516	565,000,000	1,203,754,931	2,326,888,447
Profit receivable	31,155,689	-	60,164,378	-	91,320,067
Deposits	100,000	-	-	-	100,000
	2,611,665,620	198,133,516	625,164,378	1,203,754,931	4,638,718,445
Financial liabilities					
Payable to the Management Company	13,729,696	-	-	-	13,729,696
Payable to the Trustee	501,877	-	-	-	501,877
Accrued and other liabilities	2,403,467	-	-	-	2,403,467
	16,635,040	-	-	-	16,635,040
Net assets	2,595,030,580	198,133,516	625,164,378	1,203,754,931	4,622,083,405
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	2,486,991,747	-	-	-	2,486,991,747
Investments	-	395,000,000	-	1,520,906,160	1,915,906,160
Profit receivable	29,986,396	9,743,468	19,055,354	-	58,785,218
Deposits	100,000	-	-	-	100,000
	2,517,078,143	404,743,468	19,055,354	1,520,906,160	4,461,783,125
Financial liabilities					
Payable to the Management Company	9,822,068	-	-	-	9,822,068
Payable to the Trustee	529,558	-	-	-	529,558
Payable against redemption of units	3,913,726	-	-	-	3,913,726
Accrued and other liabilities	321,437	998,815	-	-	1,320,252
	14,586,789	998,815	-	-	15,585,604
Net assets	2,502,491,354	403,744,653	19,055,354	1,520,906,160	4,446,197,521

21.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** 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); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019, the Fund held the following financial instruments measured at fair values:

2019			
Level 1	Level 2	Level 3	Total

Rupees

Financial assets 'at fair value through profit or loss' - net

Investments

- Sukuk certificates	-	1,768,754,931	-	1,768,754,931
- Term deposit receipts**	-	360,000,000	-	360,000,000
- Islamic commercial papers*	-	198,133,516	-	198,133,516
	-	2,326,888,447	-	2,326,888,447

2018			
Level 1	Level 2	Level 3	Total

Rupees

Financial assets 'at fair value through profit or loss' - net

Investments

- Sukuk certificates	-	1,520,906,160	-	1,520,906,160
	-	1,520,906,160	-	1,520,906,160

* The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and are placed with counterparties which have high credit rating.

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

During the year ended June 30, 2019, 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.

21.5 Unit holder's fund management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management 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 as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23 CORRESPONDING FIGURES

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

24 GENERAL

Figures are rounded off to the nearest rupee.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 29, 2019**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	704	11,104,710	1,131,588,864	25%
Associated Co./ Directors	2	59,192	6,031,724	0%
Insurance Co.	6	648,894	66,123,441	1%
Retirement & Other Funds	6	2,057,555	209,668,316	5%
Others	26	31,313,657	3,190,914,550	69%
	744	45,184,008	4,604,326,895	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	185	6,957,728	734,086,248	17%
Associated Co./ Directors	2	53,983	5,695,524	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	5	1,167,272	123,154,946	3%
Retirement & Other Funds	11	29,165,963	3,077,201,564	69%
Others	13	4,699,492	495,826,292	11%
	216	42,044,438	4,435,964,575	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
NEXT CAPITAL LIMITED	14.26%
BIPL SECURITIES LIMITED	20.76%
JS GLOBAL CAPITAL - BRKG	45.41%
BMA CAPITAL	3.89%
KASB SECURITIES	15.67%
	30 June 2018
	%
NEXT CAPITAL LIMITED	54.45%
BIPL SECURITIES LIMITED	20.89%
EFG HERMES PAKISTAN LIMITED	18.48%
JS GLOBAL CAPITAL - BRKG	5.98%
VECTOR CAPITAL	0.21%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGIIF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
	----- (Rupees in '000) -----				
Net Assets	4,604,326,895	4,435,964,575	2,775,156	100,172	112,176
NAV per unit	101.9017	105.5066	101.2353	100.6098	100.5030
Selling price per unit	103.0532	106.6988	102.3793	101.9403	101.8437
Redemption price per unit	101.9017	105.5066	101.2353	100.6098	100.5030
Highest selling price per unit	107.5010	106.6988	106.9915	106.4243	109.2365
Highest redemption price per unit	106.2998	105.5066	105.7960	105.0353	107.7985
Lowest selling price per unit	102.9520	102.3363	101.9137	1018566.0000	101.8437
Lowest redemption price per unit	101.3135	101.1928	100.7749	100.5272	100.5030
1st interim distribution per unit	4.5581	Nil	4.7495	4.8198	7.5632
Interim distribution date	29-Mar-19	N/A	22-Jun-17	29-Jun-16	23-Jun-15
2nd interim distribution per unit	1.4397	Nil	Nil	Nil	Nil
Interim distribution date	29-May-19	N/A	N/A	N/A	N/A
Final distribution per unit	0.911	4.2713	Nil	Nil	Nil
Final distribution date	30-Jun-19	2-Jul-18	N/A	N/A	N/A
Annualized returns	7.60%	4.22%	5.35%	4.91%	6.85%
Income distribution	6.55%	4.22%	4.72%	4.80%	7.49%
Weighted avg. portfolio duration	1.48Yrs	2.02Yrs	2.33Yrs	2.57Yrs	0.79 Yrs

Return since inception is 7.03%

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



**Alfalah
GHP Alpha Fund**

FUND INFORMATION

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

Alfalah GHP Alpha Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

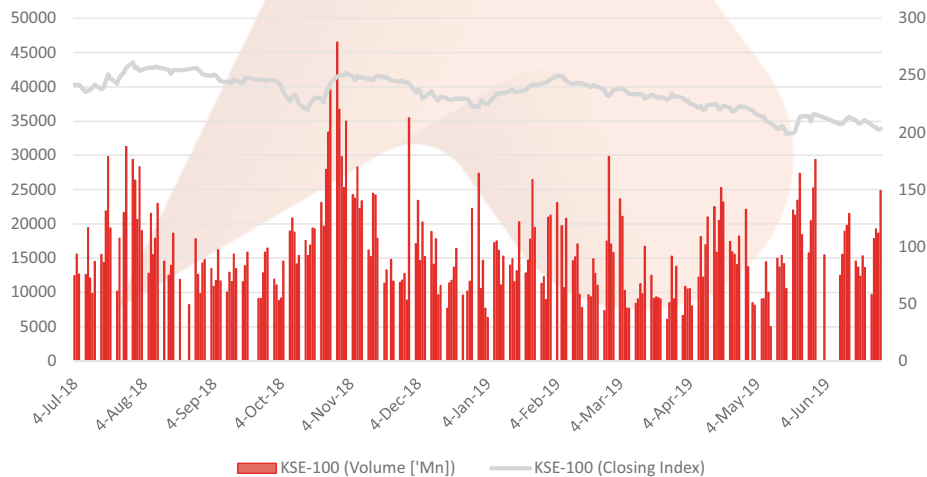
The investment objective of Alfalah GHP Alpha Fund (AGAF) is seeking long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

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.

Equity Market Review

The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.

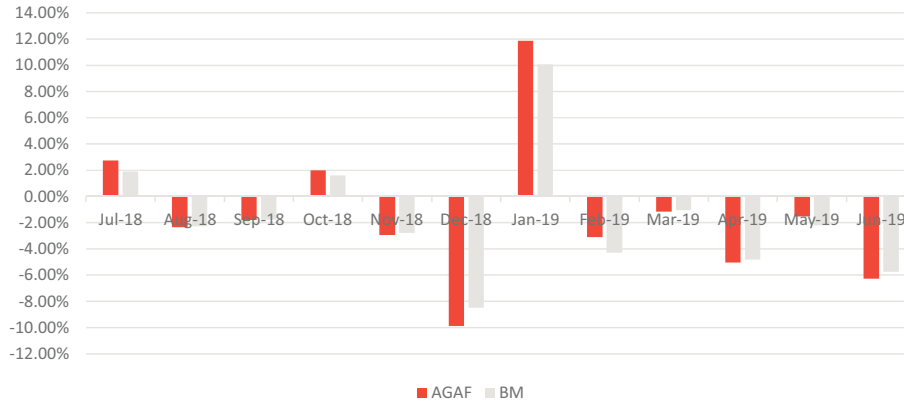


Fund Performance

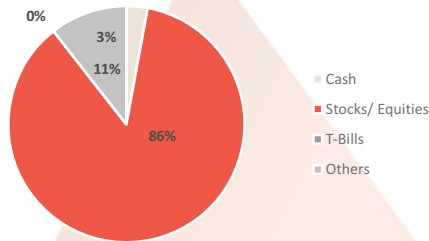
During FY19, AGAF earned a return of -17.48% versus the benchmark (KSE-100) return of -19.11% during the same period.

Fund remained invested in index heavy sectors (Banking, E&P and Ferts.) as they presented attractive valuation. Fund remained underweight in cyclical sectors (Cement, Automobile and Steel) as we believe that economic slowdown will negatively impact the valuation of the sectors.

Alfalah GHP Alpha Fund



Asset Allocation (as at 30 June 2019)



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Eqbal
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ALPHA FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Alpha Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Alpha Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 935.693 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP ALPHA FUND
STATEMENT OF ASSETS AND LIABILITIES
As AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	48,913,003	126,036,188
Investments	5	935,693,050	1,790,863,413
Dividend and mark-up receivable	6	1,480,125	4,012,051
Advance and deposits	7	2,757,746	2,752,734
Receivable against sale of investments	8	71,321,527	-
Total assets		1,060,165,451	1,923,664,386
Liabilities			
Payable to the Management Company	9	13,001,748	15,627,859
Payable to the Trustee	10	199,323	262,384
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	1,455,578	1,721,915
Payable against purchase of investments		-	807,627
Accrued and other liabilities	12	16,866,643	13,397,316
Total liabilities		31,523,292	31,817,101
Net assets attributable to the unit holders		<u>1,028,642,159</u>	<u>1,891,847,285</u>
Unit holders' fund (as per statement attached)		<u>1,028,642,159</u>	<u>1,891,847,285</u>
Contingencies and commitments	13		
		----- Number of units -----	
Number of units in issue		<u>18,560,863</u>	<u>26,088,124</u>
		----- (Rupees) -----	
Net asset value per unit		<u>55.42</u>	<u>72.52</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Income			
Profit / Mark-up income	14	14,091,209	13,279,646
Dividend income		76,813,489	80,096,341
Loss on sale of investments - net		(196,688,986)	(239,219,690)
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	<u>(136,862,211)</u>	<u>(88,870,206)</u>
Total loss		<u>(242,646,499)</u>	<u>(234,713,909)</u>
Expenses			
Remuneration of the Management Company	9.1	26,813,458	31,879,888
Performance fee of the Management Company	9.2	956,183	2,373,634
Sindh sales tax on remuneration of the Management Company	9.3	3,485,756	4,144,377
Sindh sales tax on performance fee of the Management Company	9.3	124,312	308,571
Allocated expenses	9.5	1,532,106	1,821,606
Selling and marketing expenses	9.6	6,128,440	9,386,797
Remuneration of the Trustee	10.1	2,532,205	2,821,716
Sindh sales tax on remuneration of the Trustee	10.2	329,190	366,831
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	1,455,578	1,721,941
Brokerage expense & capital value tax		5,714,891	4,824,627
Bank and settlement charges		675,425	613,708
Auditors' remuneration	15	755,550	776,321
CDS charges		365,000	343,979
Printing charges		70,159	67,429
Fee and subscription		233,882	220,601
Total expenses		<u>51,172,135</u>	<u>61,672,026</u>
Net loss for the year before taxation		<u>(293,818,634)</u>	<u>(296,385,935)</u>
Taxation	17	-	-
Net loss for the year after taxation		<u>(293,818,634)</u>	<u>(296,385,935)</u>
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution		<u>-</u>	<u>-</u>
- Relating to capital gains		<u>-</u>	<u>-</u>
- Excluding capital gains		<u>-</u>	<u>-</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Net loss for the year after taxation	(293,818,634)	(296,385,935)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(293,818,634)</u>	<u>(296,385,935)</u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income	Total
	Rupees			Rupees		
Net assets at the beginning of the year	1,692,206,802	199,640,483	1,891,847,285	997,160,999	496,026,418	1,493,187,417
Issuance of 29,360,701 units (2018: 11,982,410 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,971,888,168	-	1,971,888,168	1,012,497,748	-	1,012,497,748
- Element of loss	(86,733,318)	-	(86,733,318)	(52,426,082)	-	(52,426,082)
Total proceeds on issuance of units	1,885,154,850	-	1,885,154,850	960,071,666	-	960,071,666
Redemption of 36,887,962 units (2018: 3,565,421 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,477,425,038	-	2,477,425,038	301,273,362	-	301,273,362
- Element of income	(162,716,043)	-	(162,716,043)	(36,247,499)	-	(36,247,499)
Total payments on redemption of units	2,314,708,995	-	2,314,708,995	265,025,863	-	265,025,863
Total comprehensive loss for the year	-	(293,818,634)	(293,818,634)	-	(296,385,935)	(296,385,935)
Bonus distribution for the year ended June 30, 2018 @ Rs 5.3568 per unit on July 02, 2018	-	(139,832,347)	(139,832,347)	-	-	-
Net assets at the end of the year	1,262,652,657	(234,010,498)	1,028,642,159	1,692,206,802	199,640,483	1,891,847,285
		(Rupees)			(Rupees)	
Undistributed income brought forward						
- Realised income		288,510,689			378,815,227	
- Unrealised (loss) / income		(88,870,206)			117,211,191	
		199,640,483			496,026,418	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(293,818,634)			(296,385,935)	
Bonus distribution for the year ended June 30, 2018 @ Rs 5.3568 per unit on July 02, 2018		(139,832,347)				
(Accumulated loss) / undistributed income carried forward		(234,010,498)			199,640,483	
(Accumulated loss) / undistributed income carried forward						
- Realised (loss) / income		(97,148,287)			288,510,689	
- Unrealised loss		(136,862,211)			(88,870,206)	
		(234,010,498)			199,640,483	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		72.5176			84.5000	
Net asset value per unit at the end of the year		55.4200			72.5176	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(293,818,634)	(296,385,935)
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		<u>136,862,211</u>	<u>88,870,206</u>
		(156,956,423)	(207,515,729)
Decrease / (increase) in assets			
Investments - net		718,308,152	(458,210,179)
Advance and deposits		(5,012)	2,423,501
Dividend and mark-up receivable		2,531,928	-
Receivable against sale of investments		(71,321,527)	-
		649,513,541	(455,786,678)
Increase / (decrease) in liabilities			
Payable to the Management Company		(2,626,111)	(540,526)
Payable to the Trustee		(63,061)	(3,443)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(266,337)	137,608
Payable against purchase of investments		(807,627)	807,627
Accrued and other liabilities		3,469,325	(1,329,415)
		(293,811)	(928,149)
Net cash generated from / (used in) operating activities		<u>492,263,307</u>	<u>(664,230,556)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		1,745,322,503	960,071,666
Amount paid against redemption of units		(2,314,708,995)	(265,025,863)
Net cash (used in) / generated from financing activities		(569,386,492)	695,045,803
Net (decrease) / increase in cash and cash equivalents during the year		(77,123,185)	30,815,247
Cash and cash equivalents at the beginning of the year		126,036,188	95,220,941
Cash and cash equivalents at end of the year	4	<u><u>48,913,003</u></u>	<u><u>126,036,188</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. IFRS 9 has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income (FVOCI) or (c) at fair value through profit or loss (FVTPL) based on the business model of the entity. The Fund is primarily

focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendment	Effective date (accounting period beginning on or after)
IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
IAS 8 - 'Accounting policies, change in accountine estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.2)
- Taxation (notes 3.7 and 17)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments classified as 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 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.

3.10 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognised in the income statement in the period in which they arise.

- Unrealised gain or losses in the value of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit / markup on bank balances is recognised on an accrual basis.
- Income on Government securities is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses including management remuneration and trustee remuneration and annual fee of SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Foreign Currency Translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
4 BANK BALANCES			
In saving accounts	4.1	<u>48,913,003</u>	<u>126,036,188</u>
4.1 These accounts carry profit rates ranging between 6.80% to 13.15% (2018: 5.3% to 7.35%) per annum. These include bank balance of Rs. 46.078 million (2018: Rs. 16.454 million) maintained with Bank Alfalah Limited, a related party.			
5 INVESTMENTS	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
At fair value through profit or loss			
Listed equity securities	5.1	935,693,050	1,790,863,413
Market Treasury Bills	5.2	-	-
		<u>935,693,050</u>	<u>1,790,863,413</u>

5.1 Listed equity securities at Fair value through profit or loss

Fully paid ordinary shares with a face value of Rs 10 each unless stated otherwise

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)	net assets of the fund	Total market value of investments	
----- Number of shares -----						----- (Rupees) -----					
Chemical											
Engro Polymer & Chemicals Limited	573,000	2,023,000	-	1,238,500	1,357,500	43,731,523	36,598,200	(7,133,323)	3.56%	3.91%	0.15%
ICI Pakistan Limited	10,350	-	-	10,300	50	40,075	26,624	(13,452)	-	-	-
						<u>43,771,598</u>	<u>36,624,824</u>	<u>(7,146,775)</u>	<u>3.56%</u>	<u>3.91%</u>	
Fertilizer											
Engro Corporation Limited	309,900	426,000	31,700	480,400	287,200	83,198,978	76,280,320	(6,918,658)	7.42%	8.15%	0.05%
Fauji Fertilizer Company Limited	935,000	987,500	-	1,416,500	506,000	50,081,549	44,123,200	(5,958,349)	4.29%	4.72%	0.04%
Fauji Fertilizer Bin Qasim Limited	763,000	71,500	-	834,500	-	-	-	-	-	-	-
Engro Fertilizer Limited	1,582,000	1,013,500	-	1,881,000	714,500	52,555,743	45,706,565	(6,849,178)	4.44%	4.88%	0.05%
						<u>185,836,270</u>	<u>166,110,085</u>	<u>(19,726,185)</u>	<u>16.15%</u>	<u>17.75%</u>	

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)	net assets of the fund	Total market value of investments	
					Number of shares		(Rupees)				
Commercial Banks											
Askari Bank Limited	-	95,000	-	95,000	-	-	-	-	-	-	-
Allied Bank Limited	-	279,200	-	130,700	148,500	15,387,206	15,595,470	208,264	1.52%	1.67%	0.01%
Bank Alfalah Limited	1,612,000	2,041,500	132,750	2,292,500	1,493,750	70,265,416	65,112,563	(5,152,853)	6.33%	6.96%	0.08%
Bank Al-Habib Limited	757,000	385,000	-	743,500	398,500	31,924,615	31,234,430	(690,185)	3.04%	3.34%	0.04%
Bank of Punjab	1,522,500	4,963,500	-	4,233,500	2,252,500	27,634,244	20,610,375	(7,023,869)	2.00%	2.20%	0.09%
Habib Bank Limited	693,200	830,100	-	1,178,500	344,800	47,337,099	39,052,048	(8,285,051)	3.80%	4.17%	0.02%
Habib Metropolitan Bank Limited	126,000	2,000	-	128,000	-	-	-	-	-	-	-
Meezan Bank Limited	306,000	435,000	35,820	413,500	363,320	29,971,826	31,666,971	1,695,145	3.08%	3.38%	0.03%
MCB Bank Limited	385,500	566,000	-	729,900	221,600	42,918,475	38,658,120	(4,260,355)	3.76%	4.13%	0.02%
United Bank Limited	587,500	864,800	-	1,136,600	315,700	48,254,446	46,527,866	(1,726,580)	4.52%	4.97%	0.03%
Faysal Bank Limited	906,750	268,000	-	1,169,500	5,250	137,689	112,980	(24,709)	0.01%	0.01%	-
						313,831,017	288,570,823	(25,260,194)	28.05%	30.84%	
Cement											
D. G. Khan Cement Limited	252,400	973,300	-	1,225,700	-	-	-	-	-	-	-
Cherat Cement Company Limited	11,000	-	-	11,000	-	-	-	-	-	-	-
Kohat Cement Limited	9,900	119,000	-	79,400	49,500	4,675,374	2,600,235	(2,075,139)	0.25%	0.28%	0.02%
Maple Leaf Cement Factory Limited	340,987	1,311,000	-	1,637,500	14,487	627,434	346,094	(281,339)	0.03%	0.04%	-
Attock Cement Pakistan Limited	15,100	-	-	15,100	-	-	-	-	-	-	-
Lucky Cement Limited	120,600	241,000	-	316,000	45,600	20,390,044	17,349,432	(3,040,612)	1.69%	1.85%	0.01%
Fauji Cement Limited	340,500	-	-	340,500	-	-	-	-	-	-	-
						25,692,851	20,295,761	(5,397,089)	1.97%	2.17%	
Power Generation and Distribution											
Hub Power Company Limited	758,600	1,149,613	-	979,500	928,713	75,944,016	73,136,149	(2,807,867)	7.11%	7.82%	0.07%
Kot Addu Power Company Limited	676,000	1,001,500	-	808,500	869,000	41,181,903	31,614,220	(9,567,683)	3.07%	3.38%	0.10%
						117,125,919	104,750,369	(12,375,550)	10.18%	11.19%	
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	143,820	187,500	20,844	230,600	121,564	28,239,089	20,620,901	(7,618,187)	2.00%	2.20%	0.03%
Hascol Petroleum Limited	3,754	-	1,407	-	5,161	1,177,855	354,148	(823,707)	0.03%	0.04%	-
Sui Northern Gas Pipelines Limited	183,000	517,000	-	506,000	194,000	14,667,425	13,481,060	(1,186,365)	1.31%	1.44%	0.03%
Hi-Tech Lubricants Ltd	3,000	-	-	3,000	-	-	-	-	-	-	-
						44,084,368	34,456,109	(9,628,259)	3.35%	3.68%	
Oil and Gas Exploration Companies											
Oil & Gas Development Company Limited	978,700	907,800	-	1,415,400	471,100	69,038,501	61,944,939	(7,093,562)	6.02%	6.62%	0.01%
Pakistan Petroleum Limited	679,500	722,800	86,955	1,079,800	409,455	73,086,949	59,137,586	(13,949,363)	5.75%	6.32%	0.02%
Pakistan Oilfields Limited	142,700	130,950	20,410	224,450	69,610	33,469,837	28,254,003	(5,215,834)	2.75%	3.02%	0.02%
Mari Petroleum Co. Ltd	52,210	55,980	5,521	54,580	59,131	75,136,219	59,682,692	(15,453,527)	5.80%	6.38%	0.05%
						250,731,505	209,019,220	(41,712,286)	20.32%	22.34%	
Engineering											
Crescent Steel & Allied Products Limited	25,000	-	-	25,000	-	-	-	-	-	-	-
Amreli Steel Limited	-	194,500	-	194,500	-	-	-	-	-	-	-
International Industries Limited	142,000	108,900	-	220,800	30,100	2,286,871	2,319,807	32,936	0.23%	0.25%	0.03%
Mughal Iron & Steel Industries Limited	230,500	138,500	-	369,000	-	-	-	-	-	-	-
International Steels Limited	353,800	188,000	-	541,500	300	17,316	11,913	(5,403)	-	-	-
						2,304,188	2,331,720	27,532	0.23%	0.25%	
Automobile Assembler											
Pak Suzuki Motor Company Limited	-	-	-	-	-	-	-	-	-	-	-
Indus Motor Company Limited	6,540	560	-	7,050	50	63,403	60,196	(3,207)	0.01%	0.01%	-
Millat Tractors Limited	4,600	2,500	-	2,600	4,500	4,808,402	3,880,710	(927,692)	0.38%	0.41%	0.01%
Honda Atlas Cars (Pakistan) Limited	-	18,500	-	18,500	-	-	-	-	-	-	-
						4,871,805	3,940,906	(930,899)	0.38%	0.42%	
Food and Personal Care Products											
Fauji Foods Limited	470,500	131,500	-	591,000	11,000	382,352	145,090	(237,262)	0.01%	0.02%	-
						382,352	145,090	(237,262)	0.01%	0.02%	
Pharmaceuticals											
The Searle Company Limited	36,382	-	612	32,300	4,694	1,385,839	687,953	(697,886)	0.07%	0.07%	-
						1,385,839	687,953	(697,886)	0.07%	0.07%	

Name of the investee company	As at July 01, 2018	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)	net assets of the fund	Total market value of investments	
						----- (Rupees) -----					
Textile Composite											
Gul Ahmed Textile Mills Limited	1,769	977,500	-	658,000	321,269	16,917,404	15,138,195	(1,779,208)	1.47%	1.62%	0.09%
Nishat Mills Limited	188,000	733,900	-	707,000	214,900	28,871,972	20,058,766	(8,813,206)	1.95%	2.14%	0.06%
Nishat Chunia Limited	-	308,500	-	164,500	144,000	7,683,996	5,042,880	(2,641,116)	0.49%	0.54%	0.06%
Interloop Limited		284,500		75,000	209,500	9,577,508	9,274,565	(302,943)	0.90%	0.99%	0.02%
						63,050,879	49,514,406	(13,536,472)	4.81%	5.29%	
Technology & Communication											
Systems Limited	-	194,500	10,600	5,000	200,100	19,389,554	19,203,624	(185,930)	1.87%	2.05%	0.16%
						19,389,554	19,203,624	(185,930)	1.87%	2.05%	
Miscellaneous											
Synthetic Products Limited	19,900	-	-	18,000	1,900	97,117	42,161	(54,956)	-	-	-
						97,117	42,161	(54,956)	-	-	-
As at June 30, 2019						1,072,555,261	935,693,050	(136,862,211)	90.96%	100.00%	
As at June 30, 2018						1,879,733,619	1,790,863,413	(88,870,206)	94.66%	100.00%	

- 5.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2019, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the investee company	2019		2018	
	Bonus Shares			
	Number	Market value	Number	Market value
	(Rupees)		(Rupees)	
Hascol Petroleum Limited	3,537	242,709	2,830	887,941
The Searle Company Limited	4,594	673,297	3,995	1,356,303
Synthetic Products Enterprises Limited	1,095	24,298	1,095	55,955
Gul Ahmed Textiles Mills Limited	375	17,670	375	16,099
Pakistan State Oil Company limited	1,694	287,353	1,411	449,135
Faysal Bank Limited	4,463	96,044	4,463	116,038
	15,758	1,341,371	14,169	2,881,471

- 5.3 The above investments include shares having a market value (in aggregate) amounting to Rs 58,210 million (2018: Rs 68.60 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Investee Company	2019		2018	
	Number of shares	Market value (Rupees)	Number of shares	Market value (Rupees)
Hub Power Company Limited	280,000	22,050,000	280,000	25,804,800
Oil and Gas Development Company Limited	275,000	36,159,750	275,000	42,795,500
	<u>555,000</u>	<u>58,209,750</u>	<u>555,000</u>	<u>68,600,300</u>

5.4 Market Treasury Bills

Tenor	Face Value				Carrying Value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of	
	As at July 1, 2018	Purchased during the period	Sold /Maturity during the period	As at June 30, 2019				Net assets of the fund	Total market value of investments
	(Rupees)							%	
Market Treasury Bills - 3 months	-	150,000,000	150,000,000	-	-	-	-	-	-
Total as at June 30, 2019	<u>-</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2018		<u>295,000,000</u>	<u>295,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Note	2019	2018
	----- Rupees -----	
Market value of investments	935,693,050	1,790,863,413
Less: Carrying amount of investments	<u>(1,072,555,261)</u>	<u>(1,879,733,619)</u>
	<u>(136,862,211)</u>	<u>(88,870,206)</u>

6 DIVIDEND AND MARK-UP RECEIVABLE

Dividend receivable		280,629	3,243,214
Mark-up receivable on bank balances	6.1	<u>1,199,496</u>	<u>768,837</u>
		<u>1,480,125</u>	<u>4,012,051</u>

- 6.1 This includes accrued markup of Rs. 42,763 (2018: Rs. 311,049) receivable from Bank Alfalah Limited (a related party).

7 ADVANCE AND DEPOSITS

Note	2019	2018
	----- Rupees -----	
Security deposits with:		
- Central Depository Company of Pakistan Limited (CDC)	200,000	200,000
- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
Advance tax	7.1	52,734
Deposits	5,012	-
	<u>2,757,746</u>	<u>2,752,734</u>

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends amounts to Rs 0.0527 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the

Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends has been shown as a receivable as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents net receivable from sale of investments which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange Regulations. These amounts have been received subsequent to the year end.

9 PAYABLE TO THE MANAGEMENT COMPANY	Note	2019	2018
		----- Rupees -----	
Management remuneration payable	9.1	1,832,769	2,809,395
Performance fee payable to the management company	9.2	866,619	1,166,987
Sindh sales tax payable on management remuneration	9.3	906,646	253,421
Sindh sales tax payable on performance fee	9.3	214,381	1,033,603
Federal excise duty payable on management remuneration	9.4	4,879,884	4,879,884
Federal excise duty payable on performance fee	9.4	297,850	297,850
Payable against allocated expenses	9.5	687,022	941,350
Payable against marketing and selling expenses	9.6	2,748,092	3,765,406
Sales load payable		<u>568,485</u>	<u>479,963</u>
		<u>13,001,748</u>	<u>15,627,859</u>

9.1 The Management Company has charged remuneration at a rate of 1.75% of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 The Management Company has charged performance fee on out-performance of the Fund over the hurdle rate as defined in the offering document.

9.3 During the year, an amount of Rs. 3.610 million (2018: Rs. 4.453 million) was charged on account of sales tax on management fee and performance fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 3.776 million (2018: Rs. 4.557 million) has been paid to the Management Company which acts as a collecting agent.

9.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.18 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.28 per unit (2018: Re 0.20 per unit).

9.5 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.6 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

10 PAYABLE TO THE TRUSTEE	Note	2019	2018
----- Rupees -----			
Trustee remuneration payable	10.1	186,885	242,693
Sindh Sales Tax payable on trustee remuneration	10.2	12,438	19,691
		<u>199,323</u>	<u>262,384</u>

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	Rs 0.7 million or 0.20% per annum of net assets whichever is higher
Over Rs 1 billion	Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1 billion

The same level of trustee fee was charged during the previous year 2018.

- 10.2 During the year, an amount of Rs 0.329 million (2018: Rs. 0.366 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.336 million (2018: Rs. 0.377 million) was paid to the Trustee which acts as a collecting agent.

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

Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 (2018: 0.095) percent of the average annual net assets of the Fund.

12 ACCRUED AND OTHER LIABILITIES	Note	2019	2018
----- Rupees -----			
Provision for Sindh Workers' Welfare Fund	12.1	11,039,300	11,039,300
Auditors' remuneration payable		558,512	564,614
Withholding tax payable		1,645,925	729,568
Capital gain tax payable		275,334	3,514
Brokerage payable		2,227,188	553,332
Settlement charges payable		23,973	42,577
Annual fee payable		824,182	415,277
Printing charges payable		23,540	47,030
Other payable		248,689	-
Sales load payable		-	2,104
		<u>16,866,643</u>	<u>13,397,316</u>

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

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.59 per unit (2018: Re. 0.42 per unit).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and 30 June 2018.

14 PROFIT / MARK-UP INCOME	2019	2018
	----- (Rupees) -----	
Profit / mark-up income on:		
- Market Treasury Bills	1,000,859	2,159,449
- Bank balances	<u>13,090,350</u>	<u>11,120,197</u>
	<u>14,091,209</u>	<u>13,279,646</u>

15 AUDITORS' REMUNERATION

Audit fee	400,000	400,000
Review and other certifications	227,000	227,000
Out of pocket expenses	72,583	99,161
Sindh sales tax	<u>55,967</u>	<u>50,160</u>
	<u>755,550</u>	<u>776,321</u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 3.338% which includes 0.43% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

18.1 Unit Holders' Fund

Note	2019									
	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at June 30, 2019	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at June 30, 2019
	----- Units -----					----- (Rupees) -----				
Associated companies / undertakings										
Bank Alfalah Limited - Employees										
18.1.1	2,379,694	-	189,922	-	2,569,616	172,569,644	-	12,755,162	-	142,408,137
18.1.1	3,526,686	212,898	281,463	1,556,476	2,464,571	255,746,703	13,600,000	18,903,038	100,500,000	136,586,549
Key Management Personnel (Employees)										
18.1.1	-	2,645	-	-	2,645	-	159,998	-	-	146,609
Unit Holders Holding 10% or more units										
18.1.1	3,623,029	-	289,152	-	3,912,181	262,733,264	-	19,419,439	-	216,813,093
18.1.1	1,412,903	1,683,785	112,763	-	3,209,451	102,463,718	100,000,000	7,573,160	-	177,867,774
18.1.1	2,213,644	4,112,251	176,670	4,155,397	2,347,167	160,533,490	270,023,814	11,865,134	271,059,359	130,080,010

	2018									
	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at June 30, 2018	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at June 30, 2018
	----- Units -----					----- (Rupees) -----				
Associated companies / undertakings										
	2,379,694	-	-	-	2,379,694	201,081,008	-	-	-	172,569,644
	3,236,003	937,053	-	646,370	3,526,686	273,437,941	74,400,000	-	47,500,000	255,746,703
Key Management Personnel										
	-	135	-	-	135	-	9,748	-	-	9,627
Unit holder holding 10% or more Units										
	-	8,179,335	-	-	8,179,335	-	682,976,142	-	-	593,145,441
	3,623,029	-	-	-	3,623,029	306,141,152	-	-	-	262,733,264

18.1.1 This reflects the position of related party / connected persons as at June 30, 2019.

2019 2018
----- Rupees -----

18.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	26,813,458	31,879,888
Performance fee of the Management Company	956,183	2,373,634
Sindh sales tax on remuneration of the Management Company	3,485,756	4,144,377
Sindh sales tax on performance fee of the Management Company	124,312	308,571
Allocated expenses	1,532,106	1,821,606
Selling and marketing expenses	6,128,440	9,386,797
Sales load	43,627,988	22,073,508

Bank Alfalah Limited

Profit on bank balances	7,563,661	6,352,928
Bank charges	30,958	15,325

	2019	2018
	----- Rupees -----	
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,532,205	2,821,716
Sindh sales tax on remuneration of the Trustee	329,190	366,831
CDS charges	365,000	343,979

18.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	1,832,769	2,809,395
Performance fee payable to the management company	866,619	1,166,987
Sindh sales tax payable on performance fee	906,646	253,421
Sindh sales tax payable on management remuneration	214,381	1,033,603
Federal excise duty payable on management remuneration	4,879,884	4,879,884
Federal excise duty payable on performance fee	297,850	297,850
Payable against allocated expenses	687,022	941,350
Payable against marketing and selling expenses	2,748,092	3,765,406
Sales load payable	568,485	479,963

Bank Alfalah Limited

Bank balance	46,077,960	16,454,697
Profit receivable on bank balances	42,763	311,049
Sales load payable	-	2,104

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	186,885	242,693
Sindh sales tax payable on trustee remuneration	12,438	19,691
Security deposit	200,000	200,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	48,913,003	-	48,913,003
Investments	-	935,693,050	935,693,050
Dividend and mark-up receivable	1,480,125	-	1,480,125
Deposits	2,705,012	-	2,705,012
Receivable against sales of investment	71,321,527	-	71,321,527
	<u>124,414,655</u>	<u>935,693,050</u>	<u>1,060,112,717</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	13,001,748	13,001,748
Payable to the Trustee	-	199,323	199,323
Accrued and other liabilities	-	3,906,084	3,906,084
	<u>-</u>	<u>17,107,155</u>	<u>17,107,155</u>

Particulars	2018		
	At amortised Cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial assets			
Bank balances	126,036,188	-	126,036,188
Investments	-	1,790,863,413	1,790,863,413
Dividend and mark-up receivable	4,012,051	-	4,012,051
Deposits	2,700,000	-	2,700,000
	<u>132,748,239</u>	<u>1,790,863,413</u>	<u>1,923,611,652</u>

Particulars	2018		
	At fair value through profit or loss	At amortised Cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	15,627,859	15,627,859
Payable to the Trustee	-	262,384	262,384
Payable against purchase of investments	-	807,627	807,627
Accrued and other liabilities	-	1,624,934	1,624,934
	<u>-</u>	<u>18,322,804</u>	<u>18,322,804</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

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

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	Note	2019	2018
----- (Rupees) -----			
Variable rate instrument (financial asset)			
Bank balance	4	<u>48,913,003</u>	<u>126,036,188</u>

a) **Sensitivity analysis for variable rate instrument**

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.012 million (2018: Rs 1.260 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) **Sensitivity analysis for fixed rate instrument**

As at the reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	6.80% to 13.15%	48,913,003	-	-	-	48,913,003
Investments		-	-	-	935,693,050	935,693,050
Receivable against sale of investments		-	-	-	71,321,527	71,321,527
Dividend and mark-up receivable		-	-	-	1,480,125	1,480,125
Deposits		-	-	-	2,705,012	2,705,012
Sub total		48,913,003	-	-	1,011,199,714	1,060,112,717

Financial liabilities

Payable to the Management Company		-	-	-	13,001,748	13,001,748
Payable to the Trustee		-	-	-	199,323	199,323
Accrued and other liabilities		-	-	-	3,906,084	3,906,084
Sub total		-	-	-	17,107,155	17,107,155

On-balance sheet gap

48,913,003 - - 994,092,559 1,043,005,562

Total interest rate sensitivity gap

48,913,003 - - 994,092,559 1,043,005,562

Cumulative interest rate sensitivity gap

48,913,003 48,913,003 48,913,003

Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest 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	5.3% to 7.35%	126,036,188	-	-	-	126,036,188
Investments		-	-	-	1,790,863,413	1,790,863,413
Dividend and mark-up receivable		-	-	-	4,012,051	4,012,051
Deposits		-	-	-	2,700,000	2,700,000
Sub total		126,036,188	-	-	1,797,575,464	1,923,611,652

Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
Financial liabilities						
Payable to the Management Company	-	-	-	-	15,627,859	15,627,859
Payable to the Trustee	-	-	-	-	262,384	262,384
Payable against purchase of investments	-	-	-	-	807,627	807,627
Accrued and other liabilities	-	-	-	-	1,624,934	1,624,934
Sub Total	-	-	-	-	18,322,804	18,322,804
On-balance sheet gap	126,036,188	-	-	-	1,779,252,660	1,905,288,848
Total interest rate sensitivity gap	126,036,188	-	-	-	1,779,252,660	1,905,288,848
Cumulative interest rate sensitivity gap	126,036,188	126,036,188	126,036,188			

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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, 2019. The analysis is based on the assumption that the PSX index had increased or decreased by 1%, 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 the index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regard to the historical volatility of the index of the past three years.

At June 30, 2019, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

<i>Effect due to increase / decrease in KSE 100 index</i>	2019	2018
	-----Rupees-----	
Investment and net assets	9,356,931	17,908,634
Income statement	9,356,931	17,908,634

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

2019		2018	
Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure

(Rupees)

Bank balances	48,913,003	48,913,003	126,036,188	126,036,188
Investments	935,693,050	-	1,790,863,413	-
Dividend and mark-up receivable	1,480,125	1,480,125	4,012,051	4,012,051
Deposits	2,705,012	2,705,012	2,700,000	2,700,000
Receivable against sale of investment	71,321,527	71,321,527	-	-
	<u>1,060,112,717</u>	<u>124,419,667</u>	<u>1,923,611,652</u>	<u>132,748,239</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 935.693 million (2018: Rs 1,790.863 million) are not exposed to credit risk.

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.

No financial assets were considered to be either past due or impaired at June 30, 2019 and June 30, 2018.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Name of bank	Bank Rating	Rating Agency	2019	2018
Bank Alfalah Limited	A1+	PACRA	94.20%	13.00%
Allied Bank Limited	A1+	PACRA	0.47%	87.00%
JS Bank Limited	A1+	PACRA	0.62%	0.00%
Zarai Taraqati Bank Limited	A1+	PACRA	0.26%	0.00%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.00%
National Bank of Pakistan	A1+	PACRA	3.43%	0.00%
Soneri Bank Limited	A1+	PACRA	1.02%	0.00%
			<u>100%</u>	<u>100%</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2019		2018	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	50,112,499	40.28%	126,805,025	96.00%
Dividend receivable	280,629	0.23%	3,243,214	2.00%
National Clearing Company of Pakistan Limited (Security deposit)	2,500,000	2.02%	2,500,000	2.00%
Central Depository Company of Pakistan Limited (security deposit)	200,000	0.16%	200,000	0.00%
Receivable against sale of investment	71,321,527	57.33%	-	-
	<u>124,414,655</u>	<u>100.00%</u>	<u>132,748,239</u>	<u>100.00%</u>

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	48,913,003	-	-	-	48,913,003
Investments	935,693,050	-	-	-	935,693,050
Dividend and mark-up receivable	1,480,125	-	-	-	1,480,125
Deposits	2,705,012	-	-	-	2,705,012
Receivable against sale of investments	71,321,527	-	-	-	71,321,527
	1,060,112,717	-	-	-	1,060,112,717
Financial liabilities					
Payable to the Management Company	13,001,748	-	-	-	13,001,748
Payable to the Trustee	199,323	-	-	-	199,323
Accrued and other liabilities	3,906,084	-	-	-	3,906,084
	17,107,155	-	-	-	17,107,155
Net assets	<u>1,043,005,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,043,005,562</u>
----- Rupees -----					
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial assets					
Bank balances	126,036,188	-	-	-	126,036,188
Investments	1,790,863,413	-	-	-	1,790,863,413
Dividend and mark-up receivable	4,012,051	-	-	-	4,012,051
Deposits	2,700,000	-	-	-	2,700,000
	1,923,611,652	-	-	-	1,923,611,652
Financial liabilities					
Payable to the Management Company	15,627,859	-	-	-	15,627,859
Payable to the Trustee	262,384	-	-	-	262,384
Payable against purchase of investments	807,627	-	-	-	807,627
Accrued and other liabilities	1,624,934	-	-	-	1,624,934
	18,322,804	-	-	-	18,322,804
Net assets	<u>1,905,288,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905,288,848</u>

20.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following assets measured at fair values:

-----2019-----			
Level 1	Level 2	Level 3	Total
-----Rupees-----			

Financial assets 'at fair value through profit or loss'

Listed equity securities	935,693,050	-	-	935,693,050
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-----2018-----			
Level 1	Level 2	Level 3	Total
-----Rupees-----			

Financial assets 'at fair value through profit or loss'

Listed equity securities	1,790,863,413	-	-	1,790,863,413
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During the year ended June 30, 2019, 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.

20.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive of the Management 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 as 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's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

Figures have been rounded off to the nearest rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	132	5,702,907	316,055,131	30%
Insurance Co.	1	288,441	15,985,409	2%
Retirement & Other Funds	11	10,767,241	596,720,485	58%
Others	8	1,802,274	99,881,135	10%
	152	18,560,863	1,028,642,159	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	89	4,226,139	306,469,305	16%
Insurance Co.	2	654,944	47,494,929	3%
Retirement & Other Funds	13	16,689,625	1,210,291,002	64%
Others	9	4,517,416	327,592,049	17%
	113	26,088,124	1,891,847,285	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019 %
Next Capital Limited	9.14%
Inter Market Securities Limited	8.98%
Alfalah Securities (Private) Limited	8.58%
Al Habib Capital Markets Limited	6.56%
IGI Finex Securities Limited	6.37%
Shajar Capital Pakistan Private Limited	5.95%
EFG Hermes Pakistan Limited	5.94%
Foundation Securities Limited	5.55%
Optimus Capital Management (Pvt) Limited	5.29%
AKD Securities Ltd.	4.70%
	30 June 2018 %
Inter Market Securities Limited	10.55%
Foundation Securities Limited	8.80%
IGI Finex Securities Limited	6.94%
Next Capital Limited	5.87%
Al Habib Capital Markets Limited	5.81%
Alfalah Securities (Private) Limited	5.39%
Optimus Capital Management (Pvt) Limited	5.17%
Shajar Capital Pakistan Private Limited	5.16%
Topline Securities (Pvt) Limited	5.07%
JS Global Capital Limited	5.03%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGAF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
	(Rupees in '000)				
Net Assets	1,028,642	1,891,847	1,493,187	1,025,487	801,220
NAV per unit	55.42	72.52	84.50	67.79	66.2400
Selling price per unit	57.3000	74.9800	87.3600	70.4800	70.6600
Redemption price per unit	55.42	72.52	84.50	67.79	66.2400
Highest selling price per unit	72.6800	87.5600	101.4200	80.8300	79.6200
Highest redemption price per unit	70.3000	84.6900	98.0900	77.7500	74.6400
Lowest selling price per unit	56.4700	70.0500	70.8200	66.7500	57.5800
Lowest redemption price per unit	54.6200	67.7500	68.5000	64.2000	53.9500
Total interim distribution per unit	Nil	Nil	2.9418	7.63	7.0466
Interim distribution date	N/A	N/A	22-Jun-17	29-Jun-16	26-Jun-15
	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-17.48%	-14.18%	24.65%	14.12%	27.39%
Income distribution	N/A	N/A	4.34%	11.51%	12.24%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **15.98%**

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

**Summary of Actual Proxy voted by
Alfalah GHP Alpha Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Hub Power Company Limited							
EOGM	20-Aug-18	Approval of Annual Accounts of the Company	742,600	0.006%	✓		
		Declaration of Dividend					
The Kot Addu Power Company Limited							
EOGM	5-Sep-19	Approval of Annual Accounts of the Company	780,000	0.09%	✓		
		Declaration of Dividend					
Bank Alfalah Limited							
AGM	5-Sep-19	Alteration in the Articles of association	1,413,750	0.01%	✓		



**Alfalah
GHP Stock Fund**

FUND INFORMATION

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

Alfalah GHP Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

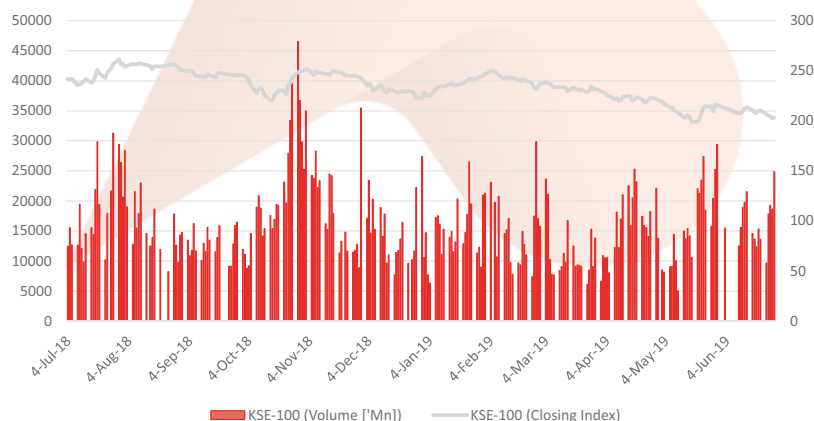
The investment objective of Alfalah GHP Stock Fund (AHPSF) is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

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

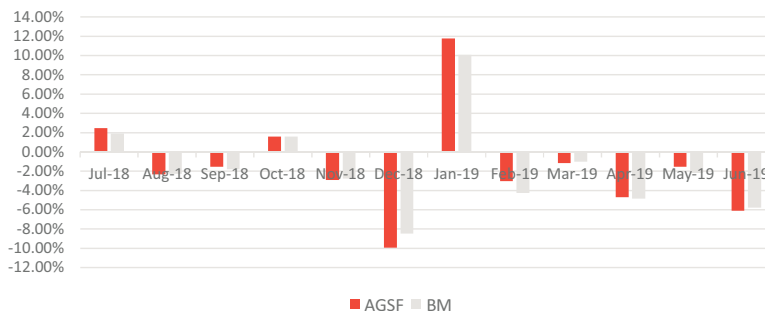
The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.



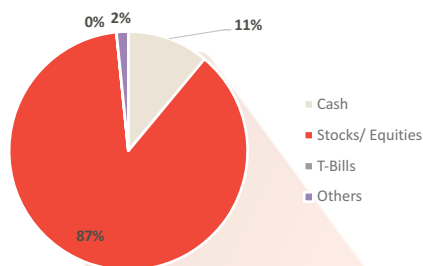
Fund Performance

During FY19, AGSF earned a return of -17.35% versus the benchmark (KSE-100) return -19.11% during the same period. Fund remained invested in index heavy sectors (Banking, E&P and Ferts.) as they presented attractive valuation. Fund remained underweight in cyclical sectors (Cement, Automobile and Steel) as we believe that economic slowdown will negatively impact the valuation of the sectors.

Alfaluh GHP Stock Fund



Asset Allocation (as at 30 June 2019)



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S, Main Shafrana-Baisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdc.pk



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP STOCK 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 Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 1,376.794 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other matter

The financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 24, 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
As AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	166,586,651	99,329,068
Investments	5	1,376,793,961	2,352,144,295
Security deposits	6	2,600,000	2,600,000
Dividend and other receivables	7	16,161,415	5,807,588
Receivable against sale of investments - net	8	4,149,878	4,743,365
Total assets		<u>1,566,291,905</u>	<u>2,464,624,316</u>
Liabilities			
Payable to the Management Company	9	21,018,933	26,169,753
Payable to the Trustee	10	224,886	311,310
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	2,112,568	2,530,385
Accrued and other liabilities	12	20,622,222	21,893,488
Total liabilities		<u>43,978,609</u>	<u>50,904,936</u>
Net assets attributable to the unit holders		<u>1,522,313,296</u>	<u>2,413,719,380</u>
Unit holders' fund (as per the statement attached)		<u>1,522,313,296</u>	<u>2,413,719,380</u>
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		<u>15,482,005</u>	<u>18,018,626</u>
Net asset value per unit		<u>98.3279</u>	<u>133.9569</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Income			
Profit / mark-up income	14	19,099,583	18,184,376
Loss on sale of investments - net		(205,660,317)	(419,489,083)
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	(239,292,264)	(121,415,149)
Dividend income from listed equity securities		113,410,758	118,070,503
Total loss		<u>(312,442,240)</u>	<u>(404,649,353)</u>
Expenses			
Remuneration of the Management Company	9.1	44,475,648	53,271,225
Sindh sales tax on remuneration of the Management Company	9.2	5,781,830	6,925,254
Remuneration of the Trustee	10.1	3,223,792	3,663,570
Sindh sales tax on remuneration of the Trustee	10.2	419,096	476,267
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	2,112,594	2,530,385
Brokerage expense and capital value tax		5,222,420	7,300,939
Bank and settlement charges		56,411	41,765
CDS charges		478,134	273,315
Auditors' remuneration	15	798,963	750,915
Fees and subscriptions		27,385	187,301
Clearing charges		364,167	690,782
Printing charges		25,005	57,717
Allocated expenses	9.3	2,223,637	2,663,382
Selling and marketing expenses	9.4	8,894,555	13,887,854
Total expenses		<u>74,103,637</u>	<u>92,720,671</u>
Net loss for the year before taxation		<u>(386,545,877)</u>	<u>(497,370,024)</u>
Taxation	16	-	-
Net loss for the year after taxation		<u>(386,545,877)</u>	<u>(497,370,024)</u>
Allocation of net income for the year			
Net income for the period after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution		<u>-</u>	<u>-</u>
- Relating to capital gains		-	-
- Excluding capital gains		-	-

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	-----
Net loss for the year after taxation	(386,545,877)	(497,370,024)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u><u>(386,545,877)</u></u>	<u><u>(497,370,024)</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income	Total
	----- Rupees -----			----- Rupees -----		
Net assets at the beginning of the year	2,027,645,920	386,073,460	2,413,719,380	1,837,298,714	883,443,484	2,720,742,198
Issuance of 8,422,197 units (2018: 14,632,430 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,295,570,736	-	2,295,570,736	2,295,570,736	-	2,295,570,736
- Element of loss	(1,279,697,749)	-	(1,279,697,749)	(193,157,948)	-	(193,157,948)
Total proceeds on issuance of units	1,015,872,987	-	1,015,872,987	2,102,412,788	-	2,102,412,788
Redemption of 10,958,818 units (2018: 13,956,362 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,189,507,566	-	2,189,507,566	2,189,507,568	-	2,189,507,568
- Element of income	(939,282,087)	-	(939,282,087)	(277,441,986)	-	(277,441,986)
Total payments on redemption of units	1,250,225,479	-	1,250,225,479	1,912,065,582	-	1,912,065,582
Total comprehensive loss for the year	-	(386,545,877)	(386,545,877)	-	(497,370,024)	(497,370,024)
Bonus distribution for the year ended June 30, 2018 @ Rs.14.9984 per unit on July 02, 2018	-	(270,507,715)	(270,507,715)	-	-	-
Net assets at the end of the year	1,793,293,428	(270,980,132)	1,522,313,296	2,027,645,920	386,073,460	2,413,719,380
		(Rupees)			(Rupees)	
Undistributed income brought forward						
- Realised income		507,488,609			690,563,558	
- Unrealised (loss) / income		(121,415,149)			192,879,926	
		<u>386,073,460</u>			<u>883,443,484</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(386,545,877)			(497,370,024)	
Bonus distribution for the year ended June 30, 2018 @ Rs.14.9984 per unit on July 02, 2018		(270,507,715)			-	
(Accumulated loss) / undistributed income carried forward		<u>(270,980,132)</u>			<u>386,073,460</u>	
(Accumulated loss) / undistributed income carried forward						
- Realised (loss) / gain		(31,687,868)			507,488,609	
- Unrealised loss		(239,292,264)			(121,415,149)	
		<u>(270,980,132)</u>			<u>386,073,460</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		<u>133.9569</u>			<u>156.8824</u>	
Net assets value per unit at the end of the year		<u>98.3279</u>			<u>133.9569</u>	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(386,545,877)	(497,370,024)
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		239,292,264	121,415,149
		(147,253,613)	(375,954,875)
Decrease / (increase) in assets			
Investments - net		736,058,070	146,607,234
Receivable against sale of investments - net		593,487	(4,743,365)
Dividend and other receivables		(10,353,827)	321,805
		726,297,730	142,185,674
(Decrease) / increase in liabilities			
Payable to the Management Company		(5,150,820)	3,328,519
Payable to the Trustee		(86,424)	(23,675)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(417,817)	119,635
Payable against purchase of investments		-	(332,846,444)
Accrued and other liabilities		(1,271,266)	(2,090,982)
		(6,926,327)	(331,512,947)
Net cash generated from / (used in) operating activities		572,117,790	(565,282,148)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		745,365,272	2,102,412,788
Amount paid against redemption of units		(1,250,225,479)	(1,916,383,245)
Net cash (used in) / generated from financing activities		(504,860,207)	186,029,543
Net increase / (decrease) in cash and cash equivalents during the year		67,257,583	(379,252,605)
Cash and cash equivalents at beginning of the year		99,329,068	478,581,673
Cash and cash equivalents at end of the year	4	166,586,651	99,329,068

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Stock Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984. On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Stock Fund.

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

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

According to the trust deed, the objective of the Fund is to provide good total return through a long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its assets in debt and money market securities in order to meet liquidity requirements from time to time. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income (FVOCI) or (c) at fair value through profit or loss (FVTPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (annual periods beginning on or after)
IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- Classification and valuation of investments (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.2)
- Taxation (notes 3.7 and 16)

2.5 Accounting Convention

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial 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.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 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.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognised in the income statement in the period in which they arise.
- Unrealised gain or losses in the value of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit / markup on bank balances is recognised on an accrual basis.
- Income on Government securities is recognised on a time proportionate basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2019 ----- (Rupees) -----	2018 -----
4 BANK BALANCES			
In savings accounts	4.1	<u>166,586,651</u>	<u>99,329,068</u>

4.1 The rate of return on these accounts ranges from 6.80% to 13.15% (2018: 4% to 7.35%) per annum. It includes bank balance of Rs. 102.334 million (2018: Rs. 31.69 million) maintained with Bank Alfalah Limited (a related party).

	Note	2019 ----- (Rupees) -----	2018 -----
5 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1	1,376,793,961	2,352,144,295
Market Treasury Bills	5.2	-	-
		<u>1,376,793,961</u>	<u>2,352,144,295</u>

5.1 Investment in listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	Note	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the fund	Total market value of investment	
						----- (Rupees) -----						
Commercial banks												
Bank Alfalah Limited (a related party)		2,090,000	1,293,000	228,600	1,454,000	2,157,600	103,125,342	94,049,784	(9,075,558)	6.18%	6.83%	0.12%
Allied Bank Limited		-	307,800	-	87,300	220,500	22,385,703	23,156,910	771,207	1.52%	1.68%	0.02%
Askari Bank Limited		-	149,500	-	149,500	-	-	-	-	-	-	-
Bank Al Habib Limited		1,010,000	154,500	-	618,000	546,500	43,382,310	42,834,670	(547,640)	2.81%	3.11%	0.05%
The Bank of Punjab		1,979,000	5,043,000	-	3,688,000	3,334,000	41,336,006	30,506,100	(10,829,906)	2.00%	2.22%	0.13%
Habib Bank Limited		916,200	770,300	-	1,178,100	508,400	74,606,887	57,581,384	(17,025,503)	3.78%	4.18%	0.03%
MCB Bank Limited		505,600	416,400	-	586,900	335,100	66,196,869	58,458,195	(7,738,674)	3.84%	4.25%	0.03%
Meezan Bank Limited		403,000	465,000	54,860	429,000	493,860	39,547,881	43,044,838	3,496,957	2.83%	3.13%	38.40%
Faysal Bank Limited	5.1.1	1,209,200	280,500	-	1,479,500	10,200	268,507	219,504	(49,003)	0.01%	0.02%	-
United Bank Limited		779,300	598,900	-	913,900	464,300	74,504,340	68,428,534	(6,075,806)	4.50%	4.97%	0.04%
Habib Metropolitan Bank Limited		183,000	-	-	183,000	-	-	-	-	-	-	-
							465,353,845	418,279,919	(47,073,926)	27.47%	30.39%	
Power generation and distribution												
Hub Power Company Limited		985,100	936,243	-	547,000	1,374,343	115,052,810	108,229,511	(6,823,299)	7.11%	7.86%	0.11%
Kot Addu Power Company Limited		885,500	912,500	-	507,000	1,291,000	65,483,066	46,966,580	(18,516,486)	3.09%	3.41%	0.15%
							180,535,876	155,196,091	(25,339,785)	10.20%	11.27%	
Oil & Gas Marketing Companies												
Hascol Petroleum Limited	5.1.1	7,740	-	2,902	-	10,642	2,428,502	730,254	(1,698,248)	0.05%	0.05%	0.01%
Pakistan State Oil Company Limited	5.1.1	187,400	147,100	32,580	186,600	180,480	44,405,696	30,614,822	(13,790,874)	2.01%	2.22%	0.05%
Hi-Tech Lubricants Limited		5,500	-	-	5,500	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited		237,900	597,500	-	548,500	286,900	21,653,007	19,936,681	(1,716,326)	1.31%	1.45%	0.03%
							68,487,205	51,281,757	(17,205,448)	3.37%	3.72%	
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited		67,940	37,240	8,432	25,400	88,212	115,862,277	89,035,018	(26,827,259)	5.85%	6.47%	0.07%
Oil & Gas Development Company Limited		1,307,600	624,600	-	1,235,600	696,600	104,234,038	91,595,934	(12,638,104)	6.02%	6.65%	0.02%
Pakistan Oilfields Limited		171,250	68,250	33,930	170,300	103,130	53,776,386	41,859,436	(11,916,950)	2.75%	3.04%	0.04%
Pakistan Petroleum Limited		874,600	395,800	128,055	792,400	606,055	110,267,598	87,532,524	(22,735,074)	5.75%	6.36%	0.03%
							384,140,299	310,022,912	(74,117,387)	20.37%	22.52%	
Chemical												
Biafo Industries Limited	5.1.1	240	-	48	-	288	76,795	46,224	(30,571)	-	-	-
Engro Polymer & Chemicals Limited		764,000	2,138,000	-	897,000	2,005,000	64,783,028	54,054,800	(10,728,228)	3.55%	3.93%	0.22%
ICI Pakistan Limited		9,520	-	-	9,450	70	56,105	37,273	(18,832)	-	-	-
							64,915,928	54,138,297	(10,777,631)	3.55%	3.93%	
Food and personal care products												
Fauji Foods Limited		612,000	204,500	-	816,500	-	-	-	-	-	-	-
							-	-	-	-	-	-
Cement												
Attock Cement Pakistan Limited		70,400	-	-	70,400	-	-	-	-	-	-	-
Cherat Cement Company Limited		30,500	-	-	30,500	-	-	-	-	-	-	-
D. G. Khan Cement Company Limited		332,900	1,312,000	-	1,644,900	-	-	-	-	-	-	-
Kohat Cement Company Limited		17,700	170,700	-	119,200	69,200	6,865,221	3,635,076	(3,230,145)	0.24%	0.26%	0.03%
Fauji Cement Company Limited		459,500	-	-	459,500	-	-	-	-	-	-	-
Lucky Cement Limited		154,000	352,000	-	438,400	67,600	31,078,765	25,719,772	(5,358,993)	1.69%	1.87%	0.02%
Maple Leaf Cement Factory Limited		447,125	1,634,500	-	2,060,500	21,125	1,010,946	504,676	(506,270)	0.03%	0.04%	-
							38,954,932	29,859,524	(9,095,408)	1.96%	2.17%	
Fertilizer												
Engro Corporation Limited		405,900	265,500	39,760	284,800	426,360	123,637,259	113,241,216	(10,396,043)	7.44%	8.22%	0.07%
Engro Fertilizers Limited		2,102,000	536,000	-	1,580,500	1,057,500	78,762,600	67,648,275	(11,114,325)	4.44%	4.91%	0.08%
Fauji Fertilizer Company Limited		1,222,000	1,073,500	-	1,541,500	754,000	74,013,441	65,748,800	(8,264,641)	4.32%	4.78%	0.06%
Fauji Fertilizer Bin Qasim Limited		1,031,000	112,500	-	1,143,500	-	-	-	-	-	-	-
							276,413,300	246,638,291	(29,775,009)	16.20%	17.91%	

Name of the investee company	Note	As at July 01, 2018	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the fund	Total market value of investment	
						----- (Rupees) -----						
Engineering												
Amreli Steels Limited		-	193,000	-	193,000	-	-	-	-	-	-	-
Crescent Steel and Allied Products Limited		34,900	-	-	34,900	-	-	-	-	-	-	-
International Industries Limited		187,200	144,000	-	291,200	40,000	3,038,905	3,082,800	43,895	0.20%	0.22%	0.03%
International Steels Limited		466,600	238,000	-	704,500	100	5,735	3,971	(1,764)	-	-	-
Mughal Iron & Steel Industries Limited		342,500	120,500	-	453,000	10,000	303,500	251,600	(51,900)	0.02%	0.02%	-
							<u>3,348,140</u>	<u>3,338,371</u>	<u>(9,769)</u>	<u>0.22%</u>	<u>0.24%</u>	
Textile composite												
Gul Ahmed Textile Mills Limited	5.1.1	4,554	1,089,500	-	614,000	480,054	24,634,166	22,620,144	(2,014,022)	1.49%	1.64%	0.13%
Nishat Mills Limited		244,600	704,800	-	632,100	317,300	44,067,465	29,616,782	(14,450,683)	1.95%	2.15%	0.09%
Nishat Chunian Limited		-	314,500	-	101,000	213,500	12,527,786	7,476,770	(5,051,016)	0.49%	0.54%	0.09%
Interloop Limited		-	338,250	-	28,000	310,250	14,284,309	13,734,768	(549,541)	0.90%	1.00%	0.04%
							<u>95,513,726</u>	<u>73,448,464</u>	<u>(22,065,262)</u>	<u>4.83%</u>	<u>5.33%</u>	
Pharmaceuticals												
The Searle Company Limited	5.1.1	47,436	-	1,145	39,800	8,781	2,592,422	1,286,943	(1,305,479)	0.08%	0.09%	-
							<u>2,592,422</u>	<u>1,286,943</u>	<u>(1,305,479)</u>	<u>0.08%</u>	<u>0.09%</u>	
Automobile assembler												
Indus Motor Company Limited		9,080	1,060	-	10,080	60	67,787	72,235	4,448	-	0.01%	-
Millat Tractors Limited		6,300	2,400	-	1,700	7,000	7,792,023	6,036,660	(1,755,363)	0.40%	0.44%	0.02%
Honda Atlas Cars (Pakistan) Limited		-	23,500	-	23,500	-	-	-	-	-	-	-
							<u>7,859,810</u>	<u>6,108,895</u>	<u>(1,750,915)</u>	<u>0.40%</u>	<u>0.45%</u>	
Technology & Communication												
Systems Limited		-	270,600	17,120	7,500	280,220	27,275,782	26,892,713	(383,069)	1.77%	1.95%	0.23%
							<u>27,275,782</u>	<u>26,892,713</u>	<u>(383,069)</u>	<u>1.77%</u>	<u>1.95%</u>	
Miscellaneous												
Synthetic Products Enterprises Limited	5.1.1	33,100	-	-	19,500	13,600	694,960	301,784	(393,176)	0.02%	0.02%	0.02%
							<u>694,960</u>	<u>301,784</u>	<u>(393,176)</u>	<u>0.02%</u>	<u>0.02%</u>	
As at June 30, 2019							<u>1,616,086,225</u>	<u>1,376,793,961</u>	<u>(239,292,264)</u>			
As at June 30, 2018							<u>2,473,559,444</u>	<u>2,352,144,295</u>	<u>(121,415,149)</u>			

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2019, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of investee Company	2019		2018	
	Bonus Shares			
	Number	Market value (Rupees)	Number	Market value (Rupees)
Hascol Petroleum Limited	6,789	465,861	4,937	1,549,033
Gul Ahmed Textile Mills Limited	1,563	73,649	1,563	67,100
The Searle Company Limited	8,248	1,208,827	7,172	2,434,894
Synthetic Products Enterprises Limited	1,905	42,272	1,905	97,346
Biafo Industries Limited	177	28,409	147	47,037
Pakistan State Oil Company Limited	2,532	429,503	2,110	671,634
Faysal Bank Limited	6,360	136,867	6,360	165,360
	<u>27,574</u>	<u>2,385,388</u>	<u>24,194</u>	<u>5,032,404</u>

- 5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs. 54.235 million (June 30, 2018: Rs. 67.566 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee company	2019		2018	
	Number of shares	Market value (Rupees)	Number of shares	Market value (Rupees)
	Lucky Cement Limited	-	-	20,000
Oil & Gas Development Company Limited	60,000	7,889,400	-	-
Nishat Mills Limited	100,000	9,334,000	100,000	14,092,000
Hub Power Company Limited	470,000	37,012,500	470,000	43,315,200
	<u>630,000</u>	<u>54,235,900</u>	<u>590,000</u>	<u>67,565,800</u>

5.2 Market Treasury Bills

Particulars	Face Value			As at June 30, 2019		Market value as a percentage of		
	As at July 01, 2018	Purchased during the year	Disposed / matured during the year	As at June 30, 2019	Carrying value	Market value	Net assets of the fund	Total market value of investments
Market Treasury Bills - 3 months	-	180,000,000	180,000,000	-	-	-	-	-
Total as at June 30, 2018	-	46,000,000	46,000,000	-	-	-		

5.3 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	Note	2019		2018	
		----- (Rupees) -----			
Market value of investments	5.1	1,376,793,961		2,352,144,295	
Less: Carrying value of investments	5.1	(1,616,086,225)		(2,473,559,444)	
		<u>(239,292,264)</u>		<u>(121,415,149)</u>	
6 SECURITY DEPOSITS					
National Clearing Company Pakistan Limited (NCCPL)			2,500,000		2,500,000
Central Depository Company of Pakistan Limited (CDC)			100,000		100,000
			<u>2,600,000</u>		<u>2,600,000</u>

	Note	2019 ----- (Rupees) -----	2018
7 DIVIDEND AND OTHER RECEIVABLES			
Dividend receivable		12,667,096	4,253,899
Profit receivable on bank balances	7.1	3,153,088	1,259,861
Advance tax	7.2	293,828	293,828
Other assets		47,403	-
		16,161,415	5,807,588

7.1 This includes accrued markup of Rs. 1,049,015 (2018: Rs. 273,061) receivable from Bank Alfalah Limited (a related party).

7.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends amounts to Rs 0.294 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2019 as in the opinion of the management, the amount of tax deducted at source will be refunded.

8 RECEIVABLE AGAINST SALE OF INVESTMENTS - NET

This represents net receivable from sale of investments which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange Regulations. These amounts have been received subsequent to the year end.

	Note	2019 ----- (Rupees) -----	2018
9 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	9.1	2,633,510	4,163,147
Sindh sales tax payable on management remuneration	9.2	1,773,082	1,971,942
Payable against allocated expenses	9.3	831,795	1,306,561
Payable against selling and marketing expenses	9.4	3,879,187	5,226,267
Federal excise duty payable on management remuneration	9.5	10,130,262	10,130,262
Sales load payable		1,771,097	3,371,574
		21,018,933	26,169,753

9.1 The Management Company has charged remuneration at a rate of 2% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 5.781 million (2018: Rs. 6.925 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.980 million (2018: Rs. 6.996 million) has been paid to the Management Company which acts as a collecting agent.

9.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

9.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

- 9.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2019 aggregates to Rs 10.13 million (2018: Rs 10.13 million). Had the provision for FED not been recorded in the financial statements of the Fund, the Net Asset Value of the Fund as at June 30, 2019 would have been higher by Re 0.65 (2018: Re 0.56) per unit.

10 PAYABLE TO THE TRUSTEE	Note	2019	2018
		----- (Rupees) -----	
Trustee remuneration payable	10.1	189,319	265,803
Sindh sales tax payable on trustee remuneration	10.2	35,567	45,507
		224,886	311,310

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	Rs 0.7 million or 0.20% per annum of net assets whichever is higher.
Over Rs 1 billion	Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1 billion.

- 10.2 During the year, an amount of Rs. 0.419 million (2018: Rs. 0.476 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.429 million (2018: Rs. 0.472 million) was paid to the Trustee which acts as a collecting agent.

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

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a Collective Investment Scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 (2018:0.095) percent of the average annual net assets of the Fund.

12 ACCRUED AND OTHER LIABILITIES	Note	2019	2018
		----- (Rupees) -----	
Provision for Sindh Workers' Welfare Fund (SWWF)	12.1	17,625,220	17,625,220
Brokerage expense payable		777,335	2,014,894
Auditors' remuneration payable		609,146	510,015
Annual rating fee payable		185,630	185,814
Clearing charges payable		22,288	-
Printing charges payable		38,748	31,313
Capital gain tax payable		182,185	157,798
Sales load payable		1,171,612	-
Withholding tax payable		10,058	1,368,434
		20,622,222	21,893,488

- 12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were,

hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Rs 1.14 (2018: Re 0.98) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

14 PROFIT / MARK-UP INCOME	2019 ----- (Rupees) -----	2018 -----
Profit / mark-up income on:		
- Market Treasury Bills	1,200,997	3,288,283
- Bank balances	<u>17,898,586</u>	<u>14,896,093</u>
	<u>19,099,583</u>	<u>18,184,376</u>
15 AUDITORS' REMUNERATION		
Audit fee	380,000	366,800
Review and other certifications	300,000	291,900
Out of pocket expenses	59,781	56,871
Sindh sales tax	<u>59,182</u>	<u>35,344</u>
	<u>798,963</u>	<u>750,915</u>

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 3.33% which includes 0.41% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a equity scheme.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

18.1 Unit Holders' Fund

Note										
2019										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019
	Units					(Rupees)				
Associated companies / undertakings										
Alfalsh Insurance Company Limited	18.1.1	479,903	-	-	479,903	64,286,318	-	-	-	47,187,854
Alfalsh GHP Prosperity Planning Fund										
Conservative Plan	18.1.1	200,559	40,801	25,287	266,647	-	26,866,262	4,600,000	3,008,078	28,800,556
Alfalsh GHP Prosperity Planning Fund										
Moderate Allocation Plan	18.1.1	731,562	79,845	92,236	673,237	230,406	97,997,778	9,000,000	10,972,262	73,000,310
Alfalsh GHP Prosperity Planning Fund										
Active Allocation Plan	18.1.1	1,018,853	-	128,458	1,047,262	100,049	136,482,389	-	15,281,166	114,023,289
Key management personnel (Employees)										
Chief Executive Officer	18.1.1	28,546	-	3,600	32,146	-	3,823,934	-	428,160	3,680,857
Head of Corporate Sales	18.1.1	-	570	72	-	642	-	-	8,544	-
Fund Manager - VP	18.1.1	-	4,033	509	1,785	2,757	-	-	60,493	200,000
Chief operating officer and company secretary	18.1.1	10,111	999	1,275	1,446	10,939	1,354,438	112,294	151,650	160,000
Head of Human Resource	18.1.1	610	-	77	-	687	81,714	-	9,163	-
Head of Marketing	18.1.1	2,948	-	-	2,948	-	-	-	-	-
Chief Financial officer	18.1.1	97	-	12	109	-	12,994	-	1,449	13,132
Unit holder holding 10% or more units										
The Nishat Mills Limited Employees										
Provident Fund Trust	18.1.1	4,425,170	-	557,930	1,398,454	3,584,646	592,782,055	-	66,370,465	160,000,000
Sindh Province Pension Fund	18.1.1	-	1,462,486	184,392	-	1,646,878	-	-	21,934,946	-
2018										
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
	Units					(Rupees)				
Associated companies / undertakings										
Alfalsh Insurance Company Limited		586,576	946,116	-	1,052,789	479,903	92,023,451	135,000,000	-	144,187,700
Alfalsh GHP Prosperity Planning Fund										
Conservative Plan		218,072	44,390	-	61,903	200,559	34,211,659	6,200,000	-	8,500,000
Alfalsh GHP Prosperity Planning Fund										
Moderate Allocation Plan		1,024,654	135,782	-	428,874	731,562	160,750,179	18,700,000	-	58,500,000
Alfalsh GHP Prosperity Planning Fund										
Active Allocation Plan		835,429	375,676	-	192,252	1,018,853	131,064,107	56,500,000	-	26,000,000
Key management personnel (Employees)										
Head of marketing		3,507	5	-	564	2,948	550,187	628	-	75,000
Chief Executive Officer		28,546	-	-	-	28,546	4,478,365	-	-	-
Chief operating officer and company secretary		9,078	10,111	-	9,078	10,111	1,424,178	1,335,880	-	1,243,349
Head of Human Resource		610	-	-	-	610	95,698	-	-	-
Chief Financial officer		-	97	-	-	97	-	12,826	-	-
Unit holder holding 10% or more units										
The Nishat Mills Limited Employees										
Provident Fund Trust		-	4,425,170	-	-	4,425,170	-	682,828,878	-	-

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2019.

	2019	2018
	----- (Rupees) -----	
18.2 Other transactions		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	44,475,648	53,271,225
Sindh sales tax on remuneration of the Management Company	5,781,830	6,925,254
Allocated expenses	2,223,637	2,663,382
Selling and marketing expenses	8,894,555	13,887,854
Sales load	1,552,412	1,957,718
Bank Alfalah Limited		
Profit on bank balances	3,771,908	3,012,946
Bank charges	31,411	26,428
Sales load	120,530	1,653,795
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	3,223,792	3,663,570
Sindh sales tax on remuneration of the Trustee	419,096	476,267
CDS charges	478,134	273,315
18.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	2,633,510	4,163,147
Sindh sales tax payable on management remuneration	1,773,082	1,971,942
Payable against allocated expenses	831,795	1,306,561
Payable against selling and marketing expenses	3,879,187	5,226,267
Federal excise duty payable on management remuneration	10,130,262	10,130,262
Sales load payable	1,771,097	3,371,574
Bank Alfalah Limited		
Bank balance	102,333,995	31,698,850
Profit on bank balances	1,049,015	273,061
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	189,319	265,803
Sindh sales tax payable on trustee remuneration	35,567	45,507
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	166,586,651	-	166,586,651
Investments	-	1,376,793,961	1,376,793,961
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	15,820,184	-	15,820,184
Receivable against sale of investments - net	4,149,878	-	4,149,878
	<u>189,156,713</u>	<u>1,376,793,961</u>	<u>1,565,950,674</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	21,018,933	21,018,933
Payable to the Trustee	-	224,886	224,886
Accrued and other liabilities	-	2,804,759	2,804,759
	-	24,048,578	24,048,578

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----			
Financial assets			
Bank balances	99,329,068	-	99,329,068
Investments	-	2,352,144,295	2,352,144,295
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	5,513,760	-	5,513,760
Receivable against sale of investments - net	4,743,365	-	4,743,365
	112,186,193	2,352,144,295	2,464,330,488

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----			
Financial liabilities			
Payable to the Management Company	-	26,169,753	26,169,753
Payable to the Trustee	-	311,310	311,310
Accrued and other liabilities	-	2,742,036	2,742,036
	-	29,223,099	29,223,099

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

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

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

Variable rate instrument (financial asset)	Note	2019	2018
		----- (Rupees) -----	
Bank balance	4	166,586,651	99,329,068

a) **Sensitivity analysis for variable rate instrument**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.0315 million (2018: Rs 0.0126 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) **Sensitivity analysis for fixed rate instruments**

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.80 to 13.15	166,586,651	-	-	-	166,586,651
Investments		-	-	-	1,376,793,961	1,376,793,961
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	15,820,184	15,820,184
Receivable against sale of investments - net		-	-	-	4,149,878	4,149,878
Sub total		<u>166,586,651</u>	<u>-</u>	<u>-</u>	<u>1,399,364,023</u>	<u>1,565,950,674</u>
Financial liabilities						
Payable to the Management Company		-	-	-	21,018,933	21,018,933
Payable to the Trustee		-	-	-	224,886	224,886
Accrued and other liabilities		-	-	-	2,804,759	2,804,759
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>24,048,578</u>	<u>24,048,578</u>
On-balance sheet gap		<u>166,586,651</u>	<u>-</u>	<u>-</u>	<u>1,375,315,445</u>	<u>1,541,902,096</u>
Total interest rate sensitivity gap		<u>166,586,651</u>	<u>-</u>	<u>-</u>	<u>1,375,315,445</u>	<u>1,541,902,096</u>
Cumulative interest rate sensitivity gap		<u>166,586,651</u>	<u>166,586,651</u>	<u>166,586,651</u>		

Particulars	2018					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		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	4.00 to 7.35	99,329,068	-	-	-	99,329,068
Investments		-	-	-	2,352,144,295	2,352,144,295
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	5,513,760	5,513,760
Receivable against sale of investments - net		-	-	-	4,743,365	4,743,365
Sub total		<u>99,329,068</u>	<u>-</u>	<u>-</u>	<u>2,365,001,420</u>	<u>2,464,330,488</u>

Particulars	2018					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				
Financial liabilities						
Payable to the Management Company		-	-	-	26,169,753	26,169,753
Payable to the Trustee		-	-	-	311,310	311,310
Accrued and other liabilities		-	-	-	2,742,036	2,742,036
Sub total		-	-	-	29,223,099	29,223,099
On-balance sheet gap		99,329,068	-	-	2,335,778,321	2,435,107,389
Total interest rate sensitivity gap		99,329,068	-	-	2,335,778,321	2,435,107,389
Cumulative interest rate sensitivity gap		99,329,068	99,329,068	99,329,068		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments 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 risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

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, 2019. The analysis is based on the assumption that PSX index increase and decreases by 1%, 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 PSX index, having regards to the historical volatility of index of past three years.

At June 30, 2019, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2019	2018
	(Rupees)	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	13,767,940	23,521,443
Income statement	13,767,940	23,521,443

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	166,586,651	166,586,651	99,329,068	99,329,068
Investments	1,376,793,961	-	2,352,144,295	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend and other receivables	15,820,184	15,820,184	5,807,588	5,807,588
Receivable against sales of investments - net	4,149,878	4,149,878	4,743,365	4,743,365
	<u>1,565,950,674</u>	<u>189,156,713</u>	<u>2,464,624,316</u>	<u>112,480,021</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 1,376.793 million (2018: Rs 2,352.144 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Rating	2019		2018	
	Rupees	%	Rupees	%
A1+ / AA+		-	31,708,850	32
A1+	166,566,273	99.99	-	-
A-/A-2	10,000	0.01	-	-
A1+ / AA-	-	-	28,901	0.030
A1+ / AAA	9,859	0.01	67,591,317	68
Unrated	519	-	-	-
	<u>166,586,651</u>	<u>100</u>	<u>99,329,068</u>	<u>100.03</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the 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 mainly held with banks having high credit rating and in listed equity securities which are not exposed to credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
(Rupees)					
Financial assets					
Bank balances	166,586,651	-	-	-	166,586,651
Investments	1,376,793,961	-	-	-	1,376,793,961
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and other receivables	15,820,184	-	-	-	15,820,184
Receivable against sale of investments - net	4,149,878	-	-	-	4,149,878
	<u>1,565,950,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,565,950,674</u>
Financial liabilities					
Payable to the Management Company	21,018,933	-	-	-	21,018,933
Payable to the Trustee	224,886	-	-	-	224,886
Accrued and other liabilities	2,804,759	-	-	-	2,804,759
	<u>24,048,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,048,578</u>
Net assets	<u>1,541,902,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,541,902,096</u>

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
(Rupees)					
Financial assets					
Bank balances	99,329,068	-	-	-	99,329,068
Investments	2,352,144,295	-	-	-	2,352,144,295
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and other receivables	5,513,760	-	-	-	5,513,760
Receivable against sale of investments - net	4,743,365	-	-	-	4,743,365
	2,464,330,488	-	-	-	2,464,330,488
Financial liabilities					
Payable to the Management Company	26,169,753	-	-	-	26,169,753
Payable to the Trustee	311,310	-	-	-	311,310
Accrued and other liabilities	2,742,036	-	-	-	2,742,036
	29,223,099	-	-	-	29,223,099
Net assets	2,435,107,389	-	-	-	2,435,107,389

20.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following assets measured at fair values:

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
Rupees			

Financial assets 'at fair value through profit or loss'

- Listed equity securities

1,376,793,961	-	-	1,376,793,961
---------------	---	---	---------------

As at June 30, 2018			
Level 1	Level 2	Level 3	Total
Rupees			

Financial assets 'at fair value through profit or loss'

- Listed equity securities

2,352,144,295	-	-	2,352,144,295
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During the year ended June 30, 2019, 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.

20.5 Unit Holders' Fund risk management

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

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

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors 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 Management 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 net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

Figures are rounded off to the nearest rupee.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	308	2,521,038	247,888,411	16%
Insurance Co.	9	1,183,042	116,326,078	8%
Retirement & Other Funds	26	8,434,019	829,299,350	54%
Others	23	3,343,905	328,799,457	22%
	366	15,482,005	1,522,313,296	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	260	2,288,322	306,536,569	13%
Associated Co./ Directors	1	479,903	64,286,342	3%
Insurance Co.	12	1,745,184	233,779,429	10%
Retirement & Other Funds	27	8,516,910	1,140,898,910	47%
Others	23	4,988,307	668,218,130	28%
	323	18,018,626	2,413,719,380	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
Next Capital Limited	10.49%
Inter Market Securities Limited	8.37%
Alfalah Securities (Private) Limited	8.02%
Foundation Securities Limited	7.46%
Shajar Capital Pakistan Private Limited	7.00%
IGI Finex Securities Limited	6.76%
EFG Hermes Pakistan Limited	6.20%
Al Habib Capital Markets Limited	5.99%
BMA Capital Management Limited	5.08%
Optimus Capital Management (Pvt) Limited	4.50%
	30 June 2018
	%
Inter Market Securities Limited	10.88%
IGI Finex Securities Limited	9.45%
JS Global Capital Limited	6.35%
Optimus Capital Management (Pvt) Limited	6.26%
Next Capital Limited	6.23%
Alfalah Securities (Private) Limited	6.22%
Foundation Securities Limited	5.98%
Topline Securities (Pvt) Limited	5.10%
Shajar Capital Pakistan Private Limited	4.77%
Elixir Securities Pakistan (Pvt.) Limited	4.37%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGSF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Net Assets	1,522,313	2,413,719	2,720,742	1,527,839	1,171,125
NAV per unit	98.3279	133.9569	156.8824	126.0747	116.6099
Selling price per unit	101.1057	137.7412	161.3143	130.2427	120.4988
Redemption price per unit	98.3279	133.9569	156.8824	126.0747	116.6099
Highest selling price per unit	127.7442	161.5662	187.3510	142.3502	137.0684
Highest redemption price per unit	124.2346	157.1274	182.2037	137.7947	132.6447
Lowest selling price per unit	99.3889	128.4005	131.0540	117.6185	98.7204
Lowest redemption price per unit	96.6583	124.8728	127.4534	113.8545	95.5075
Interim 1st distribution date	Nil	Nil	22-Jun-17	7.713	14.4405
Interim 2nd distribution date	Nil	Nil	29-Jun-17		
Interim distribution date	Nil	Nil	3.62	29-Jun-16	23-Jun-15
Final distribution per unit	Nil	Nil	1.76	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-17.35%	-14.61%	28.69%	14.88%	27.70%
Income distribution	Nil	Nil	4.27%	6.61%	14.06%

Return since inception is 19.16%

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

**Summary of Actual Proxy voted by Alfalah
GHP Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Hub Power Company Limited							
EOGM	20-Aug-18	Approval of Annual Accounts of the Company	961,100	0.008%	✓		
		Declaration of Dividend					
The Kot Addu Power Company Limited							
EOGM	5-Sep-19	Approval of Annual Accounts of the Company	1,023,000	0.12%	✓		
		Declaration of Dividend					
Bank Alfalah Limited							
AGM	5-Sep-19	Alteration in the Articles of association	2,006,600	0.01%	✓		



Alfalah
GHP Islamic Stock Fund

FUND INFORMATION

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

Alfalah GHP Islamic Stock Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

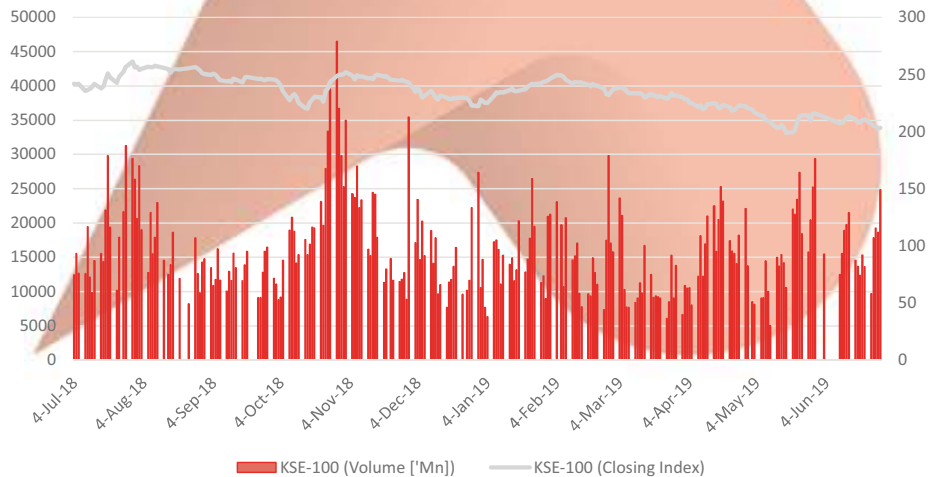
The investment objective of Alfalah GHP Islamic Stock Fund (AGISF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

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 via investments in Shariah Compliant avenues.

Equity Market Review

The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.

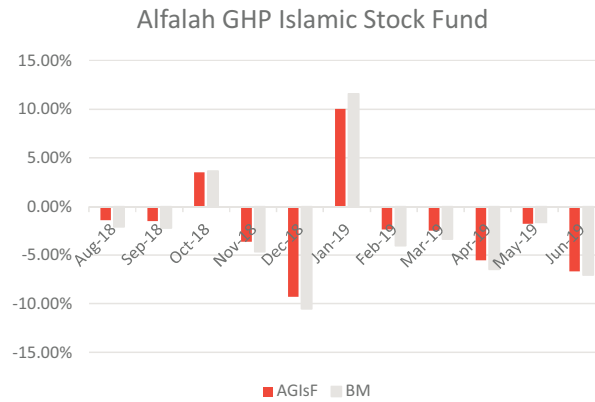


Fund Performance

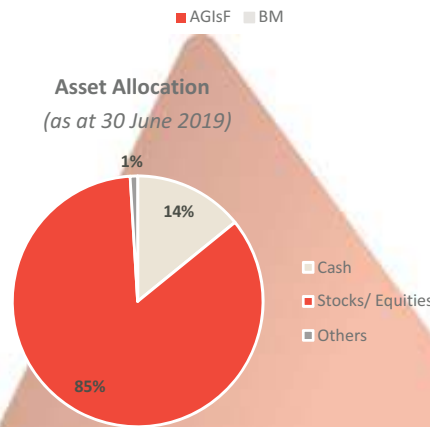
In FY19, AGISTF earned a return of -18.81% while its benchmark earned a return of -23.84% during the same period.

Fund remained invested in index heavy sectors (E&P and Ferts.) as they presented attractive valuation. Fund remained underweight in cyclical sectors (Cement, Automobile and Steel) as we believe that economic slowdown will negatively impact the valuation of the sectors.

Performance comparison with Benchmark



Asset Allocation



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Farid
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC STOCK 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 Islamic Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019





SHARIAH REVIEW REPORT ALFALAH GHP ISLAMIC STOCK FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Stock Fund ('AGISF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplement Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we provide consent for Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2018 to June 30, 2019.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

In the Year 2017-18 Provision against Charity was made amounted to Rs. 3,019,951/-. During the Year 2018-19 the said provisioning after adjustment on the basis of final dividend purification rates amounted to Rs. 3,598,315/- based on respective Companies Annual Financial Statement. The same was available for disbursement to Charitable Institution. For the Year 2018-19 Provision against Charity is made amount to Rs. 3,938,574/- in respect of dividend purification, which is subject to final adjustment on the basis of respective Companies Annual Financial Statement for the year ended 2020.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Atta Ullah
Shariah Advisor

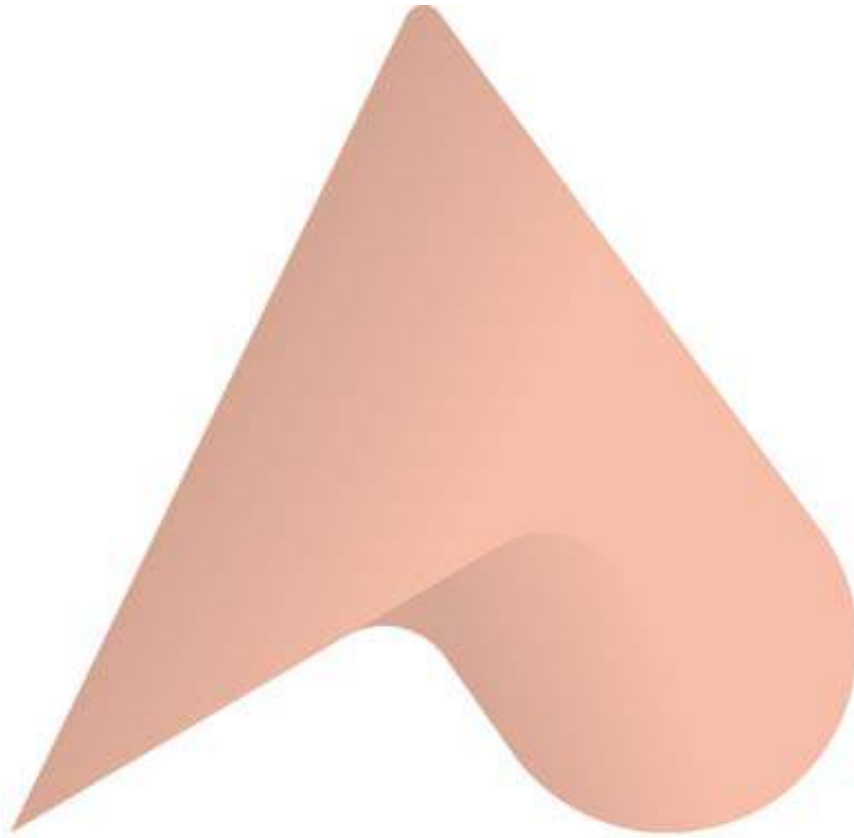
Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Stock Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2019. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 25, 2019

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 1,894.770 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Assets		
Bank balances	238,742,120	460,282,173
Investments	1,894,769,598	3,977,217,509
Security deposits	2,600,000	2,600,000
Dividend, profit and other receivable	2,114,884	9,347,800
Receivable against sale of investments	3,500,001	19,011,542
Total assets	2,141,726,603	4,468,459,024
Liabilities		
Payable to the Management Company	19,549,754	27,823,051
Payable to the Trustee	294,955	509,195
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	3,296,439	5,623,778
Accrued and other liabilities	56,485,980	51,533,246
Total liabilities	79,627,128	85,489,270
Net assets attributable to the unit holders	<u>2,062,099,475</u>	<u>4,382,969,754</u>
Unit holders' fund (as per statement attached)	<u>2,062,099,475</u>	<u>4,382,969,754</u>
Contingencies and commitments	13	
	----- (Number of units) -----	
Number of units in issue	<u>50,744,461</u>	<u>70,342,694</u>
	----- (Rupees) -----	
Net asset value per unit	<u>40.6369</u>	<u>62.3088</u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Income			
Profit on bank balances		28,553,331	39,489,111
Loss on sale of investment - net		(414,362,168)	(1,225,574,615)
Dividend income		184,104,403	267,264,032
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(372,382,594)	(213,519,536)
Total loss		<u>(574,087,028)</u>	<u>(1,132,341,008)</u>
Expenses			
Remuneration of the Management Company	9.1	69,398,716	118,395,328
Sindh sales tax on remuneration of the Management Company	9.2	9,021,829	15,391,393
Allocated expenses	9.4	3,469,701	5,919,368
Selling and marketing expenses	9.5	13,878,791	33,004,726
Remuneration of the Trustee	10.1	4,469,937	6,919,771
Sindh sales tax on remuneration of the Trustee	10.2	581,092	899,570
Annual fee to the Securities and Exchange Commission of Pakistan	11	3,296,439	5,623,778
Brokerage expense and capital value tax		5,905,103	10,647,132
Bank and settlement charges		1,156,385	1,611,820
Auditors' remuneration	14	801,983	802,000
Annual listing fee		27,467	27,501
Annual rating fee		81,782	150,000
Printing charges		70,014	70,000
Charity expense	12.2	4,516,939	2,845,044
Shariah advisory fee		600,060	504,000
Provision for Sindh Workers' Welfare Fund (SWWF)	12.1	-	-
Total expenses		<u>117,276,238</u>	<u>202,811,431</u>
Net loss for the year before taxation		<u>(691,363,266)</u>	<u>(1,335,152,439)</u>
Taxation	16	-	-
Net loss for the year after taxation		<u>(691,363,266)</u>	<u>(1,335,152,439)</u>
Allocation of net income for the year			
Net income for the year after taxation		-	-
Less: Income already paid on units redeemed		-	-
		<u>-</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		-	-
		<u>-</u>	<u>-</u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

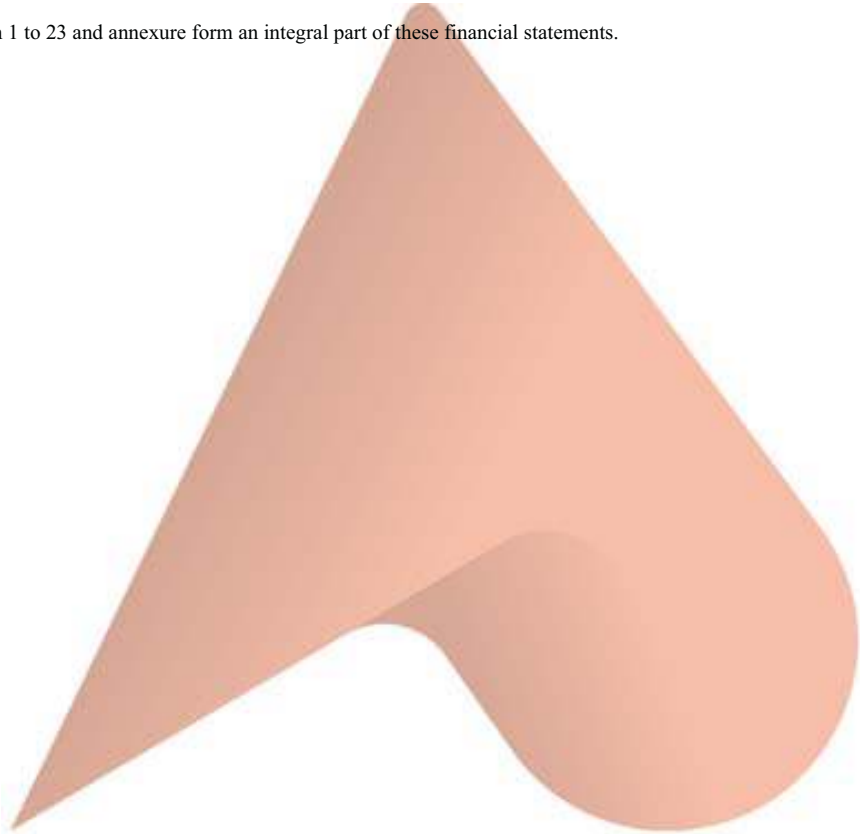
Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Net loss for the year after taxation	(691,363,266)	(1,335,152,439)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u><u>(691,363,266)</u></u>	<u><u>(1,335,152,439)</u></u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income	Total
	Rupees			Rupees		
Net assets at beginning of the year	3,148,739,238	1,234,230,516	4,382,969,754	6,560,798,904	2,569,382,955	9,130,181,859
Issuance of 45,807,597 units (2018: 32,346,483 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,292,482,442	-	2,292,482,442	2,355,564,697	-	2,355,564,697
- Element of loss	(90,092,901)	-	(90,092,901)	(142,542,487)	-	(142,542,487)
Total proceeds on issuance of units	2,202,389,541	-	2,202,389,541	2,213,022,210	-	2,213,022,210
Redemption of 65,405,830 units (2018: 87,378,931 units)						
- Capital value (at net asset value per unit at the beginning of the year)	3,273,293,719	-	3,273,293,719	6,363,187,154	-	6,363,187,154
- Element of income	(304,003,429)	-	(304,003,429)	(738,105,278)	-	(738,105,278)
Total payments on redemption of units	2,969,290,290	-	2,969,290,290	5,625,081,876	-	5,625,081,876
Total comprehensive loss for the year	-	(691,363,266)	(691,363,266)	-	(1,335,152,439)	(1,335,152,439)
Bonus distribution for the year ended June 30, 2018 @ Rs. 12.2629 per unit on July 02, 2018	-	(862,606,264)	(862,606,264)	-	-	-
Net assets at end of the year	2,381,838,489	(319,739,014)	2,062,099,475	3,148,739,238	1,234,230,516	4,382,969,754
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		1,447,750,052			2,092,332,568	
- Unrealised (loss) / income		(213,519,536)			477,050,387	
		1,234,230,516			2,569,382,955	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		-			-	
Total comprehensive loss for the year		(691,363,266)			(1,335,152,439)	
Bonus distribution for the year ended June 30, 2018 @ Rs. 12.2629 per unit on July 02, 2018		(862,606,264)			-	
Undistributed income carried forward		<u>(319,739,014)</u>			<u>1,234,230,516</u>	
(Accumulated loss) / Undistributed income carried forward						
- Realised income		52,643,580			1,447,750,052	
- Unrealised loss		(372,382,594)			(213,519,536)	
		<u>(319,739,014)</u>			<u>1,234,230,516</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			<u>62.3088</u>			<u>72.8229</u>
Net asset value per unit at the end of the year			<u>40.6369</u>			<u>62.3088</u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(691,363,266)	(1,335,152,439)
Adjustments for:		
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	<u>372,382,594</u>	<u>213,519,536</u>
	(318,980,672)	(1,121,632,903)
(Increase) / decrease in assets		
Investments - net	1,710,065,317	4,343,724,362
Dividend, profit and other receivable	7,232,916	21,874,334
Receivable against sale of investments	15,511,541	(19,011,542)
	1,732,809,774	4,346,587,154
Increase / (decrease) in liabilities		
Payable to the Management Company	(8,273,297)	(5,364,575)
Payable to the Trustee	(214,240)	(447,454)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(2,327,339)	(582,364)
Accrued and other liabilities	4,952,734	(63,417,493)
Payable against purchase of investments	-	(177,823,166)
	<u>(5,862,142)</u>	<u>(247,635,052)</u>
Net cash generated from operating activities	1,407,966,960	2,977,319,199
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	1,339,783,277	2,213,022,210
Payments made against redemption of units	(2,969,290,290)	(5,625,081,876)
Net cash used in financing activities	(1,629,507,013)	(3,412,059,666)
Net decrease in cash and cash equivalents during the year	(221,540,053)	(434,740,467)
Cash and cash equivalents at beginning of the year	460,282,173	895,022,640
Cash and cash equivalents at end of the year	<u>4</u> <u>238,742,120</u>	<u>460,282,173</u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund) (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 11, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 29, 2007. The SECP has approved second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund.

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 (positive outlook) to the Management Company on August 9, 2019.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

"Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. IFRS 9 has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements."

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

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (notes 3.2.1 and 5)
- Impairment of financial assets (note 3.2.2)
- Taxation (notes 3.6 and 16)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain investments which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company

3.8 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.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income statement on the date on which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on bank deposits is recognised on time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2019 ----- (Rupees) -----	2018
4 BANK BALANCES			
In savings accounts	4.1	155,606,692	437,945,900
In current accounts	4.2	83,135,428	22,336,273
		<u>238,742,120</u>	<u>460,282,173</u>

4.1 The rate of return on these accounts ranges from 4.75% to 13.60% (2018: 4% to 6.50%) per annum. It includes bank balance of Rs 9.62 million (2018: Rs 0.008 million) maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

4.2 This balance is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5 INVESTMENTS

Note 2019 2018
----- (Rupees) -----

At fair value through profit or loss

Listed equity securities

5.1	1,894,769,598	3,977,217,509
	<u>1,894,769,598</u>	<u>3,977,217,509</u>

5.1 Investment in listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2018	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation / (diminution)	Net assets of the fund	Total market value of investments	
----- (Number of shares) -----						----- (Rupees) -----					
Fertilizer											
Engro Fertilizers Limited	3,750,393	1,674,000	-	3,195,000	2,229,393	163,949,956	142,614,270	(21,335,686)	6.92%	7.53%	0.02%
Engro Corporation Limited	984,619	652,700	101,801	928,800	810,320	233,919,538	215,220,992	(18,698,546)	10.44%	11.36%	0.01%
Dawood Hercules Corporation Limited	812,484	-	-	800,800	11,684	1,294,354	1,299,728	5,374	0.06%	0.07%	0.00%
Fauji Fertilizer Company Limited	1,238,500	944,500	-	1,262,500	920,500	91,243,431	80,267,600	(10,975,831)	3.89%	4.24%	0.01%
						<u>490,407,279</u>	<u>439,402,590</u>	<u>(51,004,689)</u>	<u>21.31%</u>	<u>23.20%</u>	
Cement											
Cherat Cement Company Limited	47,000	-	-	47,000	-	-	-	-	-	-	-
D.G Khan Cement Company Limited	950,640	1,295,500	-	2,070,000	176,140	18,104,637	9,958,956	(8,145,681)	0.48%	0.53%	0.00%
Fauji Cement Company Limited	2,579,000	-	-	2,579,000	-	-	-	-	-	-	-
Kohat Cement Limited	30,100	290,200	-	223,100	97,200	9,008,428	5,105,916	(3,902,512)	0.25%	0.27%	0.00%
Lucky Cement Limited	445,568	356,750	-	629,450	172,868	83,283,072	65,771,088	(17,511,984)	3.19%	3.47%	0.01%
Maple Leaf Cement Company Limited	1,306,587	1,564,000	-	2,661,000	209,587	9,746,083	5,007,033	(4,739,050)	0.24%	0.26%	0.00%
						<u>120,142,220</u>	<u>85,842,993</u>	<u>(34,299,227)</u>	<u>4.16%</u>	<u>4.53%</u>	
Power generation and distribution											
Hub Power Company Limited	3,162,624	1,363,571	-	2,276,500	2,249,695	190,098,978	177,163,481	(12,935,497)	8.59%	9.35%	0.02%
Kot Addu Power Company Limited	2,212,500	836,500	-	1,981,500	1,067,500	57,242,860	38,835,650	(18,407,210)	1.88%	2.05%	0.01%
						<u>247,341,838</u>	<u>215,999,131</u>	<u>(31,342,707)</u>	<u>10.47%</u>	<u>11.40%</u>	
Oil and gas marketing companies											
Hascol Petroleum Limited	6,335	-	2,374	-	8,709	1,987,670	597,612	(1,390,058)	0.03%	0.03%	0.00%
Hi-Tech Lubricants Limited	5,000	-	-	5,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	314,772	273,000	52,774	296,600	343,946	81,955,915	58,343,560	(23,612,355)	2.83%	3.08%	0.01%
Sui Northern Gas Pipelines Limited	863,607	1,082,500	-	980,000	966,107	79,283,893	67,134,775	(12,149,118)	3.26%	3.54%	0.02%
						<u>163,227,478</u>	<u>126,075,947</u>	<u>(37,151,531)</u>	<u>6.12%</u>	<u>6.65%</u>	
Oil and gas exploration companies											
Mari Petroleum Company Limited	125,773	57,460	13,849	81,620	115,462	152,702,210	116,539,260	(36,162,950)	5.65%	6.15%	0.01%
Oil & Gas Development Company Limited	2,904,170	1,131,500	-	2,288,200	1,747,470	263,130,153	229,774,830	(33,355,323)	11.14%	12.13%	0.00%
Pakistan Oilfields Limited	494,761	127,550	93,152	424,800	290,663	154,526,985	117,977,205	(36,549,780)	5.72%	6.23%	0.01%
Pakistan Petroleum Limited	1,936,554	749,900	287,258	1,448,100	1,525,612	278,133,547	220,344,141	(57,789,406)	10.69%	11.63%	0.01%
						<u>848,492,895</u>	<u>684,635,436</u>	<u>(163,857,459)</u>	<u>33.20%</u>	<u>36.14%</u>	
Automobile assembler											
Millat Tractors Limited	18,800	-	-	11,750	7,050	8,375,823	6,079,779	(2,296,044)	0.29%	0.32%	0.00%
						<u>8,375,823</u>	<u>6,079,779</u>	<u>(2,296,044)</u>	<u>0.29%</u>	<u>0.32%</u>	

Name of the investee company	As at July 01, 2018	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation / (diminution)	Net assets of the fund	Total market value of investments	
----- (Number of shares) -----						----- (Rupees) -----					
Textile composite											
Kohinoor Textile Mills Limited	1,751	-	-	-	1,751	96,287	43,863	(52,424)	0.00%	0.00%	0.00%
Nishat Mills Limited	810,274	882,700	-	1,109,600	583,374	80,365,841	54,452,129	(25,913,712)	2.64%	2.87%	0.02%
Interloop Limited	-	541,250	-	91,000	450,250	20,698,755	19,932,568	(766,187)	0.97%	1.05%	0.01%
						101,160,883	74,428,560	(26,732,323)	3.61%	3.92%	
Engineering											
Crescent Steel & Allied Products Limited	69,600	-	-	69,600	-	-	-	-	-	-	-
International Industries limited	406,606	119,000	-	525,200	406	56,280	31,290	(24,990)	0.00%	0.00%	0.00%
International Steels Limited	1,048,229	228,500	-	1,276,500	229	15,577	9,094	(6,483)	0.00%	0.00%	0.00%
Amreli Steel Limited	-	247,000	-	247,000	-	-	-	-	-	-	-
						71,857	40,384	(31,473)	0.00%	0.00%	
Pharmaceuticals											
The Searle Company Limited	191,997	24,000	24,374	72,600	167,771	47,225,232	24,588,518	(22,636,714)	1.19%	1.30%	0.01%
Hignoon Laboratories Limited	6	-	-	-	6	2,463	1,519	(944)	0.00%	0.00%	0.00%
						47,227,695	24,590,037	(22,637,658)	1.19%	1.30%	
Food and personal care products											
Al Shaheer Corporation Limited	475	-	-	-	475	12,944	5,985	(6,959)	0.00%	0.00%	0.00%
Fauji Foods Limited	1,098,000	300,500	-	1,398,500	-	-	-	-	-	-	-
						12,944	5,985	(6,959)	0.00%	0.00%	
Commercial Banks											
Meezan Bank Limited	1,674,034	901,000	253,921	1,597,500	1,231,455	92,725,089	107,333,618	14,608,529	5.21%	5.66%	0.01%
Chemical											
Engro Polymer & Chemicals Limited	1,315,500	2,982,000	-	1,184,000	3,113,500	100,321,161	83,939,960	(16,381,201)	4.07%	4.43%	0.03%
ICI Pakistan Limited	15,987	-	-	15,900	87	69,731	46,325	(23,406)	0.00%	0.00%	0.00%
						100,390,892	83,986,285	(16,404,607)	4.07%	4.43%	
Miscellaneous											
Synthetic Products Enterprises Limited	73,836	-	-	47,500	26,336	1,345,770	584,396	(761,374)	0.03%	0.03%	0.00%
Paper and board											
Packages Limited	157,018	-	-	156,350	668	327,133	200,774	(126,359)	0.01%	0.01%	0.00%
Technology & Communication											
Systems Limited	-	491,600	28,670	45,500	474,770	45,902,396	45,563,683	(338,713)	2.21%	2.40%	0.04%
As at June 30, 2019	31,053,100	19,117,181	858,173	32,027,470	19,000,984	2,267,152,192	1,894,769,598	(372,382,594)			
As at June 30, 2018	45,905,843	33,217,851	517,870	48,588,464	31,053,100	4,190,737,045	3,977,217,509	(213,519,536)			

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part 1 to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2019, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of bonus shares.

Name of investee Company	2019		2018	
	Bonus Shares			
	Number	Market value (Rupees)	Number	Market value (Rupees)
Hascal Petroleum Limited	4,223	289,757	3,071	963,557
Kohinoor Textile Mills Limited	1,287	32,239	1,287	70,772
The Searle Company Limited	11,563	1,694,710	10,055	3,413,673
Hignnoon Laboratories Limited	1	253	1	411
Al Shaheer Corporation Limited	274	3,452	274	7,467
Pakistan State Oil Company Limited	7,586	1,286,881	6,322	2,012,356
Synthetic Products Enterprises Limited	9,123	202,439	9,123	466,211
	<u>34,057</u>	<u>3,509,731</u>	<u>30,133</u>	<u>6,934,447</u>

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs. 82.142 million (2018: Rs. 99.029 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company	2019	2018	2019	2018
	Number of shares		Market Value ----- (Rupees) -----	
D.G. Khan Cement Company Limited	60,000	60,000	3,392,400	6,869,400
The Hub Power Company Limited	1,000,000	1,000,000	78,750,000	92,160,000
	<u>1,060,000</u>	<u>1,060,000</u>	<u>82,142,400</u>	<u>99,029,400</u>

5.2 **Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net**

	2019	2018
	----- (Rupees) -----	
Market value of investments	1,894,769,598	3,977,217,509
Less: carrying value of investments	<u>(2,267,152,192)</u>	<u>(4,190,737,045)</u>
	<u>(372,382,594)</u>	<u>(213,519,536)</u>

6 **SECURITY DEPOSITS**

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	<u>2,600,000</u>	<u>2,600,000</u>

	2019	2018
	----- (Rupees) -----	
7 DIVIDEND, PROFIT AND OTHER RECEIVABLE		
Dividend receivable	562,341	5,725,656
Profit receivable on bank balances	870,380	2,939,981
Security margin with NCCPL	682,163	682,163
	<u>2,114,884</u>	<u>9,347,800</u>

8 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents receivable against sale of investments which requires delivery and settlement / payment of securities within two days after transaction date as required by stock exchange regulations. These amounts have been received subsequent to the year ended June 30, 2019.

	Note	2019	2018
		----- (Rupees) -----	
9 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	9.1	3,582,309	7,375,664
Sindh sales tax payable on management remuneration	9.2	1,254,656	1,747,797
Federal excise duty payable on management remuneration	9.3	5,412,371	5,412,371
Payable against allocated expenses	9.4	1,261,645	2,439,657
Payable against selling and marketing expenses	9.5	5,846,497	9,758,628
Sales load payable		<u>2,192,276</u>	<u>1,088,934</u>
		<u>19,549,754</u>	<u>27,823,051</u>

9.1 The Management Company has charged remuneration at a rate of 2% (2018: 2%) of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 9.022 million (2018: Rs. 15.391 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 9.514 million (2018: Rs. 16.42 million) has been paid to the Management Company which acts as a collecting agent.

9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 5.412 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.11 (June 30, 2018: Re 0.08) per unit.

9.4 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

9.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
10 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	10.1	261,022	450,615
Sindh sales tax payable on trustee remuneration	10.2	33,933	58,580
		294,955	509,195

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.7 million or 0.20% p.a. of net assets whichever is higher.
Over Rs.1 billion	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion.

- 10.2** During the year, an amount of Rs 0.581 million (2018: Rs. 0.899 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.608 million (2018: Rs. 0.953 million) was paid to the Trustee which acts as a collecting agent.

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

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095% (2018: 0.095%) of the average annual net assets of the Fund.

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
12 ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	12.1	45,637,296	45,637,296
Auditors' remuneration		681,760	676,529
Brokerage payable		1,946,269	478,097
Settlement charges		49,458	33,016
Withholding tax payable		982,274	456,125
Charity payable	12.2	5,289,054	3,345,466
Shariah advisory fee		879,806	279,746
Capital value tax payable		68,885	31,198
Federal excise duty		257,471	62,152
Sales load payable		259,360	292,196
Annual rating fee		235,413	153,631
Other liabilities		198,934	87,794
		56,485,980	51,533,246

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.90 (2018: Re 0.65) per unit.

- 12.2** According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	2019	2018
	----- (Rupees) -----	
14 AUDITORS' REMUNERATION		
Audit fee	400,000	400,000
Review and other certification	260,517	260,517
Out of pocket expenses	82,060	88,642
Sindh sales tax	59,406	52,841
	<u>801,983</u>	<u>802,000</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 3.38% which includes 0.40% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant equity scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holder's Fund

Note	June 30, 2019										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
	----- (Units) -----					----- (Rupees) -----					
Associated companies / undertakings											
Alfalah GHP Prosperity Planning Fund	17.1.1	859,668	-	210,647	1,070,315	-	53,564,908	-	10,542,030	52,602,498	-
Alfalah GHP Islamic Prosperity Planning Fund *	17.1.1	6,265,545	-	1,535,265	7,800,810	-	390,398,560	-	76,833,741	378,210,057	-

Note	June 30, 2019										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
	(Units)					(Rupees)					
Key Management Personnel (Employees)											
Head of Corporate sales	17.1.1	3,628	-	889	-	4,517	226,056	-	44,493	-	183,557
Head of Human Resource	17.1.1	2	-	-	2	-	146	-	29	140	-
Chief Investment Officer	17.1.1	21,871	4,353	5,359	17,592	13,991	1,362,758	180,000	268,202	855,904	568,568
Head of Compliance and Risk Management	17.1.1	6	-	1	-	7	374	-	76	-	284
Head of Investment Advisory and Senior Portfolio Manager	17.1.1	7,815	968	1,915	-	10,698	486,943	50,000	95,938	-	434,734
Head of Administration	17.1.1	6,056	-	1,484	7,540	-	377,342	-	74,260	354,848	-
Chief Financial Officer	17.1.1	3,056	-	749	3,805	-	190,416	-	37,486	196,160	-
Chief Operating Officer	17.1.1	-	1,010	-	-	1,010	-	50,000	-	-	41,043
Units more than 10%											
Sindh Province Pension Fund	17.1.1	8,208,772	-	2,011,420	-	10,220,192	511,479,733	-	100,663,348	-	415,316,920
Al Hilal Industries (Private) Limited	17.1.1	8,971,743	5,960,597	2,198,374	17,130,714	-	559,018,529	259,277,838	110,019,585	722,960,886	-

Note	June 30, 2018										
	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
	(Units)					(Rupees)					
Associated companies / undertakings											
Alfalah GHP Prosperity Planning Fund		1,242,817	-	-	383,149	859,668	90,505,569	-	-	24,000,000	53,564,908
Alfalah GHP Islamic Prosperity Planning Fund *		44,836,642	-	-	38,571,097	6,265,545	3,265,134,261	-	-	2,435,771,714	390,398,560
Key management personnel (Employees)											
Head of marketing		8,794	6,496	-	8,135	7,155	640,383	443,548	-	540,000	445,819
Head of Human resource department		-	2	-	-	2	-	147	-	-	146
Chief investment officer		21,828	3,068	-	3,025	21,871	159,548	200,410	-	199,747	1,362,756
Head of compliance and risk management		6	-	-	-	6	452	-	-	-	374
Head of investment advisory and senior portfolio manager		2,930	4,885	-	-	7,815	213,387	330,240	-	-	486,943
Head of administration		9,280	1,270	-	4,494	6,056	675,797	86,703	-	300,000	377,342
Head of finance		2,446	2,374	-	1,764	3,056	178,125	165,751	-	130,000	190,416
Units more than 10% *											
Sindh Province Pension Fund		8,208,772	-	-	-	8,208,772	597,786,582	-	-	-	511,478,733
Al Hilal Industries (Private) Limited		8,146,119	1,854,632	-	1,029,008	8,971,743	593,224,009	125,000,000	-	67,300,000	559,018,540

17.1.1 This reflects the position of related party / connected person status as at June 30, 2019.

17.2 Other transactions

2019 **2018**
----- (Rupees) -----

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	69,398,716	118,395,328
Sindh sales tax on remuneration of the Management Company	9,021,829	15,391,393
Allocated expenses	3,469,701	5,919,368
Selling and marketing expenses	13,878,791	33,004,726
Sales load	7,383,973	3,562,336

	2019	2018
	----- (Rupees) -----	
Bank Alfalah Limited - Islamic Banking Division		
Profit on bank balances	116,308	359,164
Bank charges	50,680	90,611
Sales load	806,260	2,033,072

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	4,469,937	6,919,771
Sindh sales tax on remuneration of the Trustee	581,092	899,570
Settlement charges	268,365	594,562

17.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	3,582,309	7,375,664
Sindh sales tax payable on management remuneration	1,254,656	1,747,797
Federal excise duty payable on management remuneration	5,412,371	5,412,371
Payable against allocated expenses	1,261,645	2,439,657
Payable against selling and marketing expenses	5,846,497	9,758,628
Sales load payable	2,192,276	1,088,934

Bank Alfalah Limited - Islamic Banking Division

Bank balances	92,755,320	22,343,839
Profit receivable	128	41,252
Sales load payable	259,360	292,196

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	261,022	450,615
Sindh sales tax payable on trustee remuneration	33,933	58,580
Security deposit	100,000	100,000

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	238,742,120	-	238,742,120
Investments	-	1,894,769,598	1,894,769,598
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	3,500,001	-	3,500,001
Dividend, profit and other receivable	2,114,884	-	2,114,884
	<u>246,957,005</u>	<u>1,894,769,598</u>	<u>2,141,726,603</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	19,549,754	19,549,754
Payable to the Trustee	-	294,955	294,955
Accrued and other liabilities	-	9,540,054	9,540,054
	-	29,384,763	29,384,763

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	460,282,173	-	460,282,173
Investments	-	3,977,217,509	3,977,217,509
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	19,011,542	-	19,011,542
Dividend, profit and other receivable	9,347,800	-	9,347,800
	491,241,515	3,977,217,509	4,468,459,024

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	27,823,051	27,823,051
Payable to the Trustee	-	509,195	509,195
Accrued and other liabilities	-	5,346,475	5,346,475
	-	33,678,721	33,678,721

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

19.1.1 Currency risk

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

19.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

2019 2018
-----Rupees-----

Variable rate instrument (financial asset)

Bank balance 155,606,692 437,945,900

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.1297 million (2018: Rs 0.7028 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	As at June 30, 2019					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees)				

On-balance sheet financial instruments

Financial assets

Bank balances	4.75% - 13.60%	155,606,692	-	-	83,135,428	238,742,120
Investments		-	-	-	1,894,769,598	1,894,769,598
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	3,500,001	3,500,001
Dividend, profit and other receivable		-	-	-	2,114,884	2,114,884
Sub total		<u>155,606,692</u>	<u>-</u>	<u>-</u>	<u>1,986,119,911</u>	<u>2,141,726,603</u>

Financial liabilities

Payable to the Management Company		-	-	-	19,549,754	19,549,754
Payable to the Trustee		-	-	-	294,955	294,955
Accrued and other liabilities		-	-	-	9,540,054	9,540,054
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>29,384,763</u>	<u>29,384,763</u>

On-balance sheet gap

<u>155,606,692</u>	<u>-</u>	<u>-</u>	<u>1,956,735,148</u>	<u>2,112,341,840</u>
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Total profit rate sensitivity gap

<u>155,606,692</u>	<u>-</u>	<u>-</u>	<u>1,956,735,148</u>	<u>2,112,341,840</u>
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Cumulative profit rate sensitivity gap

<u>155,606,692</u>	<u>155,606,692</u>	<u>155,606,692</u>
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Particulars	As at June 30, 2018					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit 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	4% - 6.50%	437,945,900	-	-	22,336,273	460,282,173
Investments		-	-	-	3,977,217,509	3,977,217,509
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	19,011,542	19,011,542
Dividend, profit and other receivable		-	-	-	9,347,800	9,347,800
Sub total		<u>437,945,900</u>	<u>-</u>	<u>-</u>	<u>4,030,513,124</u>	<u>4,468,459,024</u>

Financial liabilities

Payable to the Management Company		-	-	-	27,823,051	27,823,051
Payable to the Trustee		-	-	-	509,195	509,195
Accrued and other liabilities		-	-	-	5,346,475	5,346,475
Sub Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>33,678,721</u>	<u>33,678,721</u>

On-balance sheet gap

<u>437,945,900</u>	<u>-</u>	<u>-</u>	<u>3,996,834,403</u>	<u>4,434,780,303</u>
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Total profit rate sensitivity gap

<u>437,945,900</u>	<u>-</u>	<u>-</u>	<u>3,996,834,403</u>	<u>4,434,780,303</u>
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Cumulative profit rate sensitivity gap

<u>437,945,900</u>	<u>437,945,900</u>	<u>437,945,900</u>
--------------------	--------------------	--------------------

19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments 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 risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

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, 2019. The analysis is based on the assumption that PSX index increase and decreases by 1%, 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 PSX index, having regards to the historical volatility of index of past three years.

At June 30, 2019, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2019	2018
	-----Rupees-----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	<u>18,947,696</u>	<u>39,772,175</u>
Income statement	<u>18,947,696</u>	<u>39,772,175</u>

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	238,742,120	238,742,120	460,282,173	460,282,173
Investments	1,894,769,598	-	3,977,217,509	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Receivable against sale of investments	3,500,001	3,500,001	19,011,542	19,011,542
Dividend, profit and other receivable	2,114,884	2,114,884	9,347,800	9,347,800
	<u>2,141,726,603</u>	<u>246,957,005</u>	<u>4,468,459,024</u>	<u>491,241,515</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 1,849.769 million (2018: Rs 3,977.217 million) is not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Bank	Rating Agency	Rating	2019	2018
Bank Alfalah Limited	PACRA	A1+	38.85%	4.83%
Meezan Bank Limited	JCR-VIS	A1+	0.004%	0.00%
National Bank of Pakistan	JCR-VIS	A1+	0.58%	1.00%
Habib Bank Limited	JCR-VIS	A1+	0.006%	0.00%
Bank Islami Pakistan	PACRA	A1	47.93%	94.14%
Dubai Islamic Bank	JCR-VIS	A1+	0.01%	0.004%
Silk Bank Limited	JCR-VIS	A2	12.62%	0.03%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the 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 mainly held with banks having high credit rating and in listed equity securities which are not exposed to credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	238,742,120	-	-	-	238,742,120
Investments	1,894,769,598	-	-	-	1,894,769,598
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	3,500,001	-	-	-	3,500,001
Dividend, profit and other receivable	2,114,884	-	-	-	2,114,884
	2,141,726,603	-	-	-	2,141,726,603
Financial liabilities					
Payable to the Management Company	19,549,754	-	-	-	19,549,754
Payable to the Trustee	294,955	-	-	-	294,955
Accrued and other liabilities	9,540,054	-	-	-	9,540,054
	29,384,763	-	-	-	29,384,763
Net assets	2,112,341,840	-	-	-	2,112,341,840
----- Rupees -----					
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	460,282,173	-	-	-	460,282,173
Investments	3,977,217,509	-	-	-	3,977,217,509
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	19,011,542	-	-	-	19,011,542
Dividend, profit and other receivable	9,347,800	-	-	-	9,347,800
	4,468,459,024	-	-	-	4,468,459,024
Financial liabilities					
Payable to the Management Company	27,823,051	-	-	-	27,823,051
Payable to the Trustee	509,195	-	-	-	509,195
Accrued and other liabilities	5,346,475	-	-	-	5,346,475
	33,678,721	-	-	-	33,678,721
Net assets	4,434,780,303	-	-	-	4,434,780,303

19.4 Fair value measurement

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following assets measured at fair values:

----- As at June 30, 2019 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets at fair value through profit or loss

Listed equity securities	1,894,769,598	-	-	1,894,769,598
--------------------------	---------------	---	---	---------------

----- As at June 30, 2018 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets at fair value through profit or loss

Listed equity securities	3,977,217,509	-	-	3,977,217,509
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During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs 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 Management 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 as 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's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

22 GENERAL

Figures are rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	727	16,867,639	685,448,555	33%
Retirement & Other Funds	19	15,038,814	611,130,778	30%
Insurance Co.	4	2,671,592	108,565,203	5%
Others	24	16,166,417	656,954,940	32%
	774	50,744,461	2,062,099,475	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	756	17,098,423	1,065,382,226	24%
Retirement & Other Funds	31	21,669,367	1,350,192,314	31%
Insurance Co.	4	1,752,714	109,209,522	2%
Others	32	29,822,190	1,858,185,692	43%
	823	70,342,694	4,382,969,754	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019 %
Next Capital Limited	9%
Inter Market Securities Limited	9%
IGI Finex Securities Limited	8%
Alfalah Securities (Private) Limited	7%
Shajar Capital Pakistan Private Limited	7%
EFG Hermes Pakistan Limited	6%
Foundation Securities Limited	6%
BMA Capital Management Limited	6%
Al Habib Capital Markets Limited	5%
Optimus Capital Management (Pvt) Limited	5%
	30 June 2018 %
Inter Market Securities Limited	8%
Shajar Capital Pakistan Private Limited	7%
Arif Habib Limited	7%
Alfalah Securities (Private) Limited	7%
IGI Finex Securities Limited	7%
Insight Securities (Private) Limited	7%
Optimus Capital Management (Pvt) Limited	6%
Topline Securities (Pvt) Limited	5%
Nael Capital Private Limited	5%
Foundation Securities Limited	5%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGISF

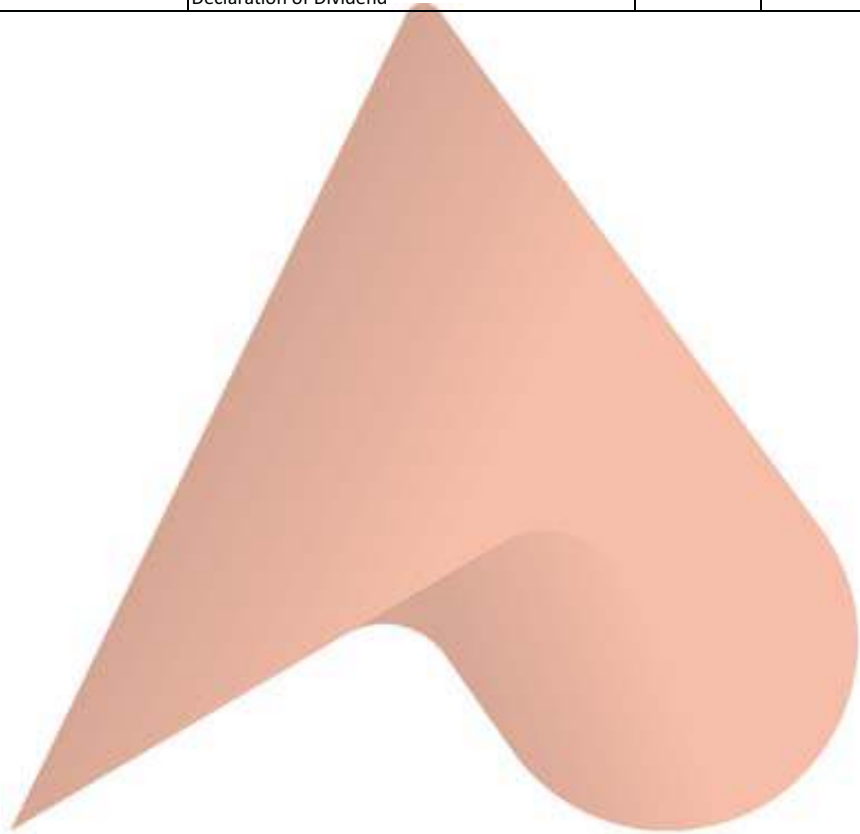
	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
	(Rupees in '000)					
Net Assets	2,062,099	4,382,970	9,130,181	1,986,726	579,873	331,974
NAV per unit	40.6369	62.3088	72.8229	63.8413	59.9615	54.3800
Selling price per unit	42.0145	64.4211	75.2916	66.3740	63.9609	58.0387
Redemption price per unit	40.6369	62.3088	72.8229	63.8413	59.9615	54.3800
Highest selling price per unit	53.7467	76.4498	92.9008	76.8310	73.1806	73.7277
Highest redemption price per unit	51.9844	73.9431	89.8547	73.8993	68.6047	69.0800
Lowest selling price per unit	40.8919	60.5991	66.4375	60.6278	55.7200	58.0387
Lowest redemption price per unit	39.5511	58.6121	64.2591	58.3144	52.2100	54.3800
Total interim distribution per unit	Nil	Nil	6.9204	8.1072	7.3107	14.991
Interim distribution date	N/A	N/A	29-Jun-17	29-Jun-16	30-Jun-15	30-Jun-14
Final distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A	N/A
Annualized returns	-18.81%	-14.43%	24.81%	20.33%	23.79%	18.42%
Income distribution	Nil	Nil	10.84%	13.52%	13.44%	25.53%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

Return since inception is 1.60%

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Hub Power Company Limited							
EOGM	20-Aug-18	Approval of Annual Accounts of the Company	2,990,624	0.03%	✓		
		Declaration of Dividend					
The Kot Addu Power Company Limited							
EOGM	5-Sep-19	Approval of Annual Accounts of the Company	2,132,000	0.24%	✓		
		Declaration of Dividend					





**Alfalah
GHP Value Fund**

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

Alfalah GHP Value Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

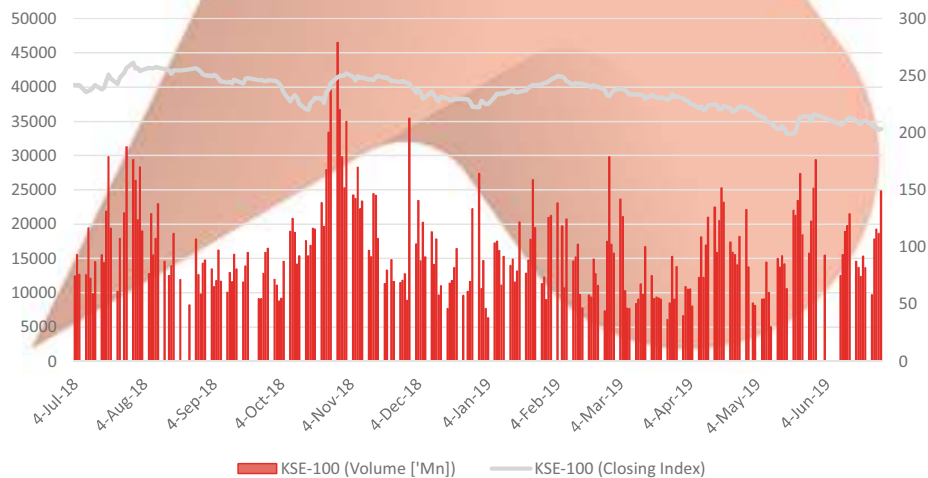
The investment objective of Alfalah GHP Value Fund (AGVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

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.

Equity Market Review:

The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.

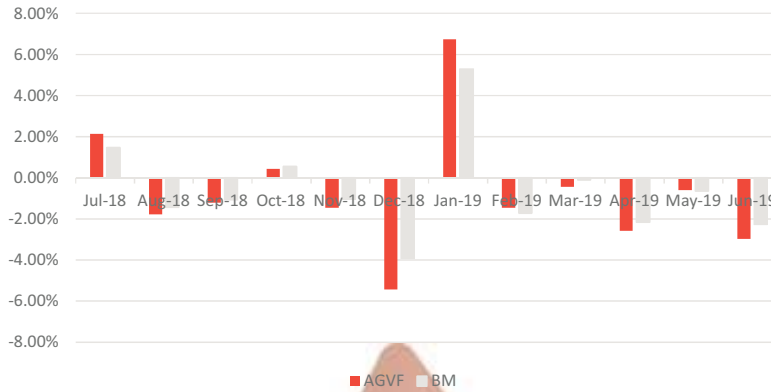


Fund Performance

During FY19, AGVF underperformed its benchmark with a return of -8.80% versus the benchmark return of -6.93% during the same period.

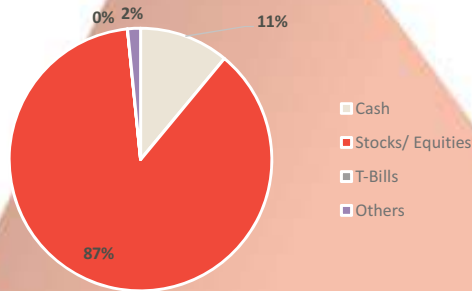
Average exposure of the fund during the year stood at 55.75%. Fund remained invested in index heavy sectors (Banking, E&P and Ferts.) as they presented attractive valuation. Fund remained underweight in cyclical sectors (Cement, Automobile and Steel) as we believe that economic slowdown will negatively impact the valuation of the sectors. While on the fixed income portion fund was invested in high yield TFC's and Sukuks to gain higher yield.

Alfalsh GHP Value Fund



Assets Allocation

Asset Allocation
(as at 30 June 2019)



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C. H.S. Islam Shahr-e-Faisal
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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, 2019 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.

Baduddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Value Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The investments and bank balances constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 973.247 million and bank balances aggregated to Rs 295.525 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and• Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	295,524,754	413,834,710
Investments	5	973,247,012	1,745,094,605
Security deposits	6	2,600,000	2,600,000
Receivable against sale of investments - net	7	19,632,139	781,226
Dividend and other receivables	8	14,453,984	8,162,350
Total assets		1,305,457,889	2,170,472,891
Liabilities			
Payable to the Management Company	9	12,950,755	16,598,966
Payable to the Trustee	10	298,642	377,508
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	1,651,174	2,236,126
Accrued expenses and other liabilities	12	14,032,528	13,893,436
Total liabilities		28,933,099	33,106,036
Net assets attributable to the unit holders		<u>1,276,524,790</u>	<u>2,137,366,855</u>
Unit holders' fund (as per statement attached)		<u>1,276,524,790</u>	<u>2,137,366,855</u>
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		<u>25,236,296</u>	<u>34,484,056</u>
Net asset value per unit		<u>50.5829</u>	<u>61.9813</u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Income			
Profit / mark-up income	14	72,023,985	37,519,361
Dividend income		57,162,837	88,273,735
Loss on sale of investments - net		(110,831,605)	(277,821,682)
Unrealised loss on revaluation of investments classified as financial assets at fair value through profit or loss' - net	5.9	(108,139,177)	(72,640,150)
Total loss		(89,783,960)	(224,668,736)
Expenses			
Remuneration of the Management Company	9.1	34,761,503	47,076,375
Sindh sales tax on remuneration of the Management Company	9.2	4,518,984	6,119,899
Allocated expenses	9.4	1,738,064	2,353,809
Selling and marketing expenses	9.5	6,952,262	12,036,510
Remuneration of the Trustee	10.1	2,738,180	3,353,969
Sindh sales tax on remuneration of the Trustee	10.2	355,966	436,012
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	1,651,174	2,236,126
Brokerage expense and capital value tax		3,046,197	4,936,709
Bank and settlement charges		676,354	790,520
Auditors' remuneration	15	755,550	762,794
Fees and subscriptions		172,043	172,144
Printing charges		35,037	-
Total expenses		57,401,314	80,274,867
Net loss for the year before taxation		(147,185,274)	(304,943,603)
Taxation	17	-	-
Net loss for the year after taxation		(147,185,274)	(304,943,603)
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution		-	-
- Relating to capital gain		-	-
- Excluding capital gain		-	-

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

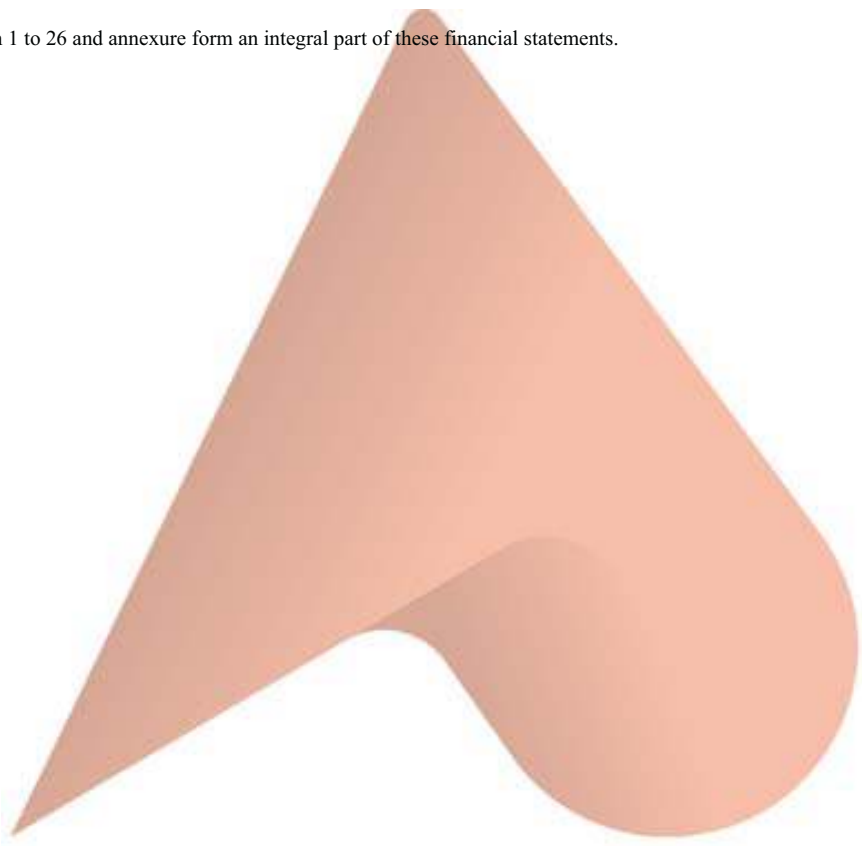
Chief Financial Officer

Director

ALFALAH GHP VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	-----
Net loss for the year after taxation	(147,185,274)	(304,943,603)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u><u>(147,185,274)</u></u>	<u><u>(304,943,603)</u></u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income	Total
	----- Rupees-----			----- Rupees-----		
Net assets at the beginning of the year	1,818,870,505	318,496,350	2,137,366,855	1,465,756,050	623,439,953	2,089,196,003
Issuance of 12,838,584 units (2018: 20,695,738 units)						
- Capital value (at net asset value per unit at the beginning of the year)	712,061,247	-	712,061,247	1,458,335,526	-	1,458,335,526
- Element of loss	(8,252,379)	-	(8,252,379)	(89,422,725)	-	(89,422,725)
Total proceeds on issuance of units	703,808,868	-	703,808,868	1,368,912,801	-	1,368,912,801
Redemption of 22,086,344 units (2018: 15,860,195 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,224,966,085	-	1,224,966,085	1,117,596,571	-	1,117,596,571
- Element of income	(32,291,642)	-	(32,291,642)	(101,798,225)	-	(101,798,225)
Total payments on redemption of units	1,192,674,443	-	1,192,674,443	1,015,798,346	-	1,015,798,346
Total comprehensive loss for the year	-	(147,185,274)	(147,185,274)	-	(304,943,603)	(304,943,603)
Bonus distribution for the year ended June 30, 2018 @ Rs. 6.5187 per unit on July 2, 2018	-	(224,791,216)	(224,791,216)	-	-	-
Net assets at the end of the year	1,330,004,930	(53,480,140)	1,276,524,790	1,818,870,505	318,496,350	2,137,366,855
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income	391,136,500			547,528,607		
- Unrealised (loss) / income	(72,640,150)			75,911,346		
	318,496,350			623,439,953		
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
Net loss for the year after taxation	(147,185,274)			(304,943,603)		
Bonus distribution for the year ended June 30, 2018 @ Rs. 6.5187 per unit on July 2, 2018	(224,791,216)			-		
(Accumulated loss) / undistributed income carried forward	(53,480,140)			318,496,350		
(Accumulated loss) / undistributed income carried forward						
- Realised income	54,659,037			391,136,500		
- Unrealised loss	(108,139,177)			(72,640,150)		
	(53,480,140)			318,496,350		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year			61.9813			70.4655
Net asset value per unit at the end of the year			50.5829			61.9813

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(147,185,274)	(304,943,603)
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		<u>108,139,177</u>	<u>72,640,150</u>
		(39,046,097)	(232,303,453)
Decrease / (increase) in assets			
Investments - net		<u>663,708,416</u>	<u>19,525,423</u>
Dividend and other receivables		(6,291,634)	(3,592,982)
Receivable against sale of investments		<u>(18,850,913)</u>	<u>(781,226)</u>
		638,565,869	15,151,215
Increase / (decrease) in liabilities			
Payable to the Management Company		<u>(3,648,211)</u>	<u>2,796,471</u>
Payable to the Trustee		(78,866)	(19,599)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(584,952)	769,330
Accrued expenses and other liabilities		<u>139,092</u>	<u>(49,099,186)</u>
		<u>(4,172,937)</u>	<u>(45,552,984)</u>
Net cash generated from / (used in) operating activities		<u>595,346,835</u>	<u>(262,705,222)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		<u>479,017,652</u>	<u>1,368,912,801</u>
Payments made against redemption of units		<u>(1,192,674,443)</u>	<u>(1,015,798,346)</u>
Net cash (used in) / generated from financing activities		<u>(713,656,791)</u>	<u>353,114,455</u>
Net (decrease) / increase in cash and cash equivalents during the year		<u>(118,309,956)</u>	<u>90,409,233</u>
Cash and cash equivalents at beginning of the year		413,834,710	323,425,477
Cash and cash equivalents at end of the year	4	<u><u>295,524,754</u></u>	<u><u>413,834,710</u></u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalaha GHP Value Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on May 19, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP approved the first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGVF/200/2010 dated March 18, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Value Fund.

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

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

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

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (positive outlook) dated August 9, 2019 to the Management Company.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognized in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) at amortised cost or (b) at fair value through other comprehensive income (FVOCI) or (c) at fair value through profit or loss (FVTPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendment	Effective date (accounting period beginning on or after)
-IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
-IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
-IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.5 and 5)
- ii. Impairment of financial assets (notes 3.3.2 and 3.3.3)
- iii. Taxation (notes 3.7 and 17)

2.5 Accounting convention

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change as explained in note 2.2 above.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months

or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.3 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 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.

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

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-

dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gain or loss on sale of investments are included in the Income Statement on the date on which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established i.e on the date of commencement of book closure of the investee company/ institution declaring the dividend.
- Unrealised gains / (losses) arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are recorded in the year in which these arise.
- Income on sukuk certificates, term finance certificates, term deposit receipts, musharakah certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as non-performing asset under Circular No. 33 of 2012 issued by the SECP for which the profits / income are recorded on receipt basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2019	2018
		-----	-----
		(Rupees)	
In saving accounts	4.1	<u>295,524,754</u>	<u>413,834,710</u>

- 4.1 The rate of return on these accounts ranges from 5.30% to 13.60% (2018: 4% to 7.40%) per annum. These include Rs 291.12 million (2018: Rs 411.196 million) maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	2019	2018
		-----	-----
		(Rupees)	
At fair value through profit or loss			
Listed equity securities	5.1	622,464,074	1,639,491,990
Listed real estate investment trust units	5.2	7,160	9,082
Pakistan Investment Bonds	5.3	44,401,710	-
Sukuk certificates	5.5	199,948,500	75,038,760
Term finance certificates (TFCs)	5.6	<u>106,425,568</u>	<u>30,554,773</u>
		<u>973,247,012</u>	<u>1,745,094,605</u>

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2018	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation / (diminution)	Net assets of the fund	Total market value of investments	
						----- Number of shares -----			----- (Rupees) -----		
Fertilizer											
Engro Corporation Limited	279,200	117,000	18,480	220,500	194,180	55,679,528	51,574,208	(4,105,320)	4.04%	5.30%	-
Engro Fertilizers Limited	1,448,000	243,000	-	1,217,500	473,500	35,090,723	30,289,795	(4,800,928)	2.37%	3.11%	-
Fauji Fertilizer Company Limited	853,500	435,500	-	949,000	340,000	33,029,166	29,648,000	(3,381,166)	2.32%	3.05%	-
Fauji Fertilizer Bin Qasim Limited	760,000	80,500	-	840,500	-	-	-	-	-	-	-
						123,799,417	111,512,003	(12,287,414)	8.73%	11.46%	-
Chemicals											
ICI Pakistan Limited	10,180	-	-	10,150	30	24,045	15,974	(8,071)	-	-	-
Engro Polymer and Chemicals Limited	523,500	1,182,000	-	829,500	876,000	28,790,334	23,616,960	(5,173,374)	1.85%	2.43%	0.01%
						28,814,379	23,632,934	(5,181,445)	-	-	-
Commercial banks											
Allied Bank Limited	-	127,800	-	25,600	102,200	10,355,282	10,733,044	377,762	0.84%	1.10%	-
Askari Bank Limited	-	93,000	-	93,000	-	-	-	-	-	-	-
Bank Alfalah Limited (a related party)	1,515,500	588,000	141,500	1,236,500	1,008,500	47,689,829	43,960,515	(3,729,314)	3.44%	4.52%	0.01%
Bank AL Habib Limited	679,500	84,000	-	509,500	254,000	20,109,447	19,908,520	(200,927)	1.56%	2.05%	-
Faysal Bank Limited	827,500	71,000	-	891,500	7,000	181,974	150,640	(31,334)	0.01%	0.02%	-
Habib Bank Limited	614,000	387,300	-	765,300	236,000	33,904,636	26,729,360	(7,175,276)	2.09%	2.75%	-
Habib Metropolitan Bank Limited	121,500	-	-	121,500	-	-	-	-	-	-	-
MCB Bank Limited	380,900	228,900	-	459,700	150,100	29,451,103	26,184,945	(3,266,158)	2.05%	2.69%	-
Meezan Bank Limited	276,000	204,500	31,530	284,000	228,030	18,172,490	19,875,095	1,702,605	1.56%	2.04%	-
United Bank Limited	523,700	270,800	-	586,000	208,500	33,554,142	30,728,730	(2,825,412)	2.41%	3.16%	-
The Bank of Punjab	1,402,500	2,480,500	-	2,327,000	1,556,000	19,396,520	14,237,400	(5,159,120)	1.12%	1.46%	0.01%
						212,815,423	192,508,249	(20,307,174)	15.08%	19.79%	-
Cement											
D.G. Khan Cement Company Limited	227,100	640,600	-	863,700	4,000	387,657	226,160	(161,497)	0.02%	0.02%	-
Lucky Cement Limited	101,500	170,450	-	242,100	29,850	13,476,783	11,357,030	(2,119,753)	0.89%	1.17%	-
Kohat Cement Limited	9,600	66,200	-	40,100	35,700	3,440,433	1,875,321	(1,565,112)	0.15%	0.19%	-
Fauji Cement Company Limited	324,000	-	-	324,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	27,200	-	-	27,200	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	306,100	934,500	-	1,210,000	30,600	1,413,936	731,034	(682,902)	0.06%	0.08%	-
						18,718,809	14,189,545	(4,529,264)	1.12%	1.46%	-
Power generation and distribution											
Hub Power Company Limited	754,700	442,891	-	588,000	609,591	50,628,534	48,005,291	(2,623,243)	3.76%	4.93%	-
Kot Addu Power Company Limited	656,000	398,000	-	499,000	555,000	27,946,784	20,190,900	(7,755,884)	1.58%	2.07%	0.01%
						78,575,318	68,196,191	(10,379,127)	5.34%	7.00%	-
Oil and gas marketing companies											
Pakistan State Oil Company Limited	98,900	83,700	19,900	120,900	81,600	19,888,536	13,841,808	(6,046,728)	1.08%	1.42%	-
Hascol Petroleum Limited	4,412	-	1,654	-	6,066	1,384,309	416,249	(968,060)	0.03%	0.04%	-
Hi-Tech Lubricants Limited	2,000	-	-	2,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	177,100	261,500	-	308,500	130,100	9,702,939	9,040,649	(662,290)	0.71%	0.93%	-
						30,975,784	23,298,706	(7,677,078)	1.82%	2.39%	-
Oil and gas exploration companies											
Mari Petroleum Company Limited	47,274	17,740	4,895	31,100	38,809	51,372,510	39,171,088	(12,201,422)	3.07%	4.02%	-
Oil and Gas Development Company Limited	888,700	285,600	-	850,800	323,500	48,730,388	42,537,015	(6,193,373)	3.33%	4.37%	-
Pakistan Oilfields Limited	132,400	38,850	20,220	149,300	42,170	21,467,250	17,116,381	(4,350,869)	1.34%	1.76%	-
Pakistan Petroleum Limited	610,500	171,300	70,830	579,100	273,530	50,111,500	39,505,938	(10,605,562)	3.09%	4.06%	-
						171,681,648	138,330,422	(33,351,226)	10.83%	14.21%	-
Automobile assembler											
Pak Suzuki Motor Company Limited	100	-	-	-	100	39,338	22,896	(16,442)	-	-	-
Millat Tractors Limited	4,500	900	-	3,840	1,560	1,636,743	1,345,313	(291,430)	0.11%	0.14%	-
Honda Atlas Cars (Pakistan) Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
Indus Motors Company Limited	5,960	360	-	6,230	90	106,306	108,353	2,047	0.01%	0.01%	-
						1,782,387	1,476,562	(305,825)	0.12%	0.15%	-
Automobile parts and accessories											
Thal Limited (Face Value of Rs. 5)	50	-	-	-	50	23,877	18,203	(5,674)	-	-	-
						23,877	18,203	(5,674)	-	-	-
Balance carried forward						667,187,042	573,162,815	(94,024,227)			

Name of the investee company	As at July 01, 2018	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation / (diminution)	Net assets of the fund	Total market value of investments	
					Number of shares		(Rupees)				
Balance brought forward						667,187,042	573,162,815	(94,024,227)			
Textile composite											
Gul Ahmed Textile Mills Limited	39,800	489,500	-	303,500	225,800	11,360,636	10,639,696	(720,940)	0.83%	1.09%	0.01%
Nishat Mills Limited	161,500	263,500	-	276,500	148,500	20,610,560	13,860,990	(6,749,570)	1.09%	1.42%	-
Interloop Limited	-	147,375	-	-	147,375	6,793,988	6,524,291	(269,697)	0.51%	0.67%	-
Nishat Chunian Limited	-	125,500	-	25,000	100,500	5,931,594	3,519,510	(2,412,084)	0.28%	0.36%	-
Kohinoor Textile Mills Limited	1,302	-	-	-	1,302	71,597	32,615	(38,982)	0.00%	0.00%	-
						44,768,375	34,577,102	(10,191,273)	2.71%	3.54%	
Food and personal care products											
At Tahir Limited	-	115,264	-	115,000	264	5,544	5,203	(341)	-	-	-
Fauji Foods Limited	425,000	134,500	-	559,500	-	-	-	-	-	-	-
						5,544	5,203	(341)	-	-	
Engineering											
Amreli Steels Limited	-	171,000	-	171,000	-	-	-	-	-	-	-
Crescent Steel and Allied Products Limited	25,500	-	-	25,500	-	-	-	-	-	-	-
International Industries Limited	136,700	60,500	-	175,700	21,500	1,682,965	1,657,005	(25,960)	0.13%	0.17%	-
International Steels Limited	349,500	77,000	-	417,500	9,000	535,474	357,390	(178,084)	0.03%	0.04%	-
Mughal Iron and Steel Industries Limited	253,500	71,000	-	324,000	500	29,918	12,580	(17,338)	-	-	-
						2,248,357	2,026,975	(221,382)	0.16%	0.21%	
Pharmaceuticals											
The Searle Company Limited	32,936	-	470	29,800	3,606	1,064,672	528,495	(536,177)	0.04%	0.05%	-
						1,064,672	528,495	(536,177)	0.04%	0.05%	
Miscellaneous											
Synthetic Products Enterprises Limited	34,700	-	-	17,000	17,700	904,470	392,763	(511,707)	0.03%	0.04%	-
						904,470	392,763	(511,707)	0.03%	0.04%	
Technology & Communication											
Systems Limited	-	117,000	7,650	2,000	122,650	12,052,385	11,770,721	(281,664)	0.92%	1.21%	0.01%
						12,052,385	11,770,721	(281,664)	0.92%	1.21%	
As at June 30, 2019						<u>728,230,845</u>	<u>622,464,074</u>	<u>(105,766,771)</u>	<u>48.76%</u>	<u>63.96%</u>	
As at June 30, 2018						<u>1,712,836,377</u>	<u>1,639,491,990</u>	<u>(73,344,387)</u>			

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2019, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of investee Company	2019		2018	
	Bonus Shares		Bonus Shares	
	Number	Market value (Rupees)	Number	Market value (Rupees)
Hascol Petroleum Limited	3,826	262,526	2,782	872,880
Kohinoor Textile Mills Limited	1,260	31,563	1,260	69,287
Mari Petroleum Company Limited	59	59,550	54	81,334
The Searle Company Limited	3,179	465,914	2,764	938,378
Synthetic Products Enterprises Limited	1,245	27,627	1,245	63,620
Pakistan State Oil Company Limited	1,920	325,690	1,600	509,296
Faysal Bank Limited	5,100	109,752	5,100	132,600
	<u>16,589</u>	<u>1,282,622</u>	<u>14,805</u>	<u>2,667,395</u>

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 42,537 million (2018: Rs 59,957 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company	2019	2018	2019	2018
	Number of shares		Market Value (Rupees)	
Oil and Gas Development Company Limited	323,500	320,000	42,537,015	49,798,400
Lucky Cement Limited	-	20,000	-	10,158,600
	<u>323,500</u>	<u>340,000</u>	<u>42,537,015</u>	<u>59,957,000</u>

5.2 Listed real estate investment trust units

Name of the investee company	As at July 01, 2018	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Appreciation/ (diminution)	net assets of the Fund	total market value of investments	
						----- (Rupees) -----					
Dolmen City REIT (face value of Rs.10 each)	704	-	-	-	704	9,082	7,160	(1,922)	-	-	-
As at June 30, 2019	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704</u>	<u>9,082</u>	<u>7,160</u>	<u>(1,922)</u>	<u>-</u>	<u>-</u>	
As at June 30, 2018	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704</u>	<u>8,328</u>	<u>9,082</u>	<u>754</u>			

5.3 Pakistan Investment Bonds

Particulars	Note	Face Value				As at June 30, 2019			Market value as a percentage of	
		As at July 01, 2018	Purchased during the year	Sold / Matured during the year	As at June 30, 2019	Carrying value	Market value	Unrealised loss on revaluation	net assets of the Fund	total market value of investments
		----- (Rupees) -----								
Pakistan Investment Bonds - 03 years	5.3.1	-	100,000,000	50,000,000	50,000,000	44,623,362	44,401,710	(221,652)	3.48%	4.56%
Pakistan Investment Bonds - 05 years		-	50,000,000	50,000,000	-	-	-	-	-	-
Total as at June 30, 2019		<u>-</u>	<u>150,000,000</u>	<u>100,000,000</u>	<u>50,000,000</u>	<u>44,623,362</u>	<u>44,401,710</u>	<u>(221,652)</u>	<u>3.48%</u>	<u>4.56%</u>
Total as at June 30, 2018		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		

5.3.1 These carry purchase yield of 7.25% (2018: Nil) per annum. These have maturity upto July 12, 2021.

5.4 Market Treasury Bills

Particulars	Note	Face Value				As at June 30, 2019			Market value as a percentage of	
		As at July 01, 2018	Purchased during the year	Sold / Matured during the year	As at June 30, 2019	Carrying value	Market value	Unrealised (loss) / gain on revaluation	net assets of the Fund	total market value of investments
----- (Rupees) -----										
Maturity upto 3 months		-	1,012,000,000	1,012,000,000	-	-	-	-	-	-
Total as at June 30, 2019		-	1,012,000,000	1,012,000,000	-	-	-	-	-	-
Total as at June 30, 2018		200,000,000	2,472,000,000	2,672,000,000	-	-	-	-	-	-

5.5 Sukuk certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2018	Purchased during the year	Matured / sold during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Net unrealised gain / (loss) on revaluation of investments as at June 30, 2019	Market value as a percentage of		Investment as a percentage of issue size	Rating
											net assets of the Fund	total market value of investment		
----- (Number of certificates) -----														
----- (Rupees) -----														
Dawood Hercules Corporation Limited	3 Month Kibor + 1.00%	Secured	March 1, 2023	600	-	-	600	60,038,760	59,880,000	(158,760)	4.69%	6.15%	1.00%	AA
International Brands Limited	12 Month Kibor + 0.50%	Secured	November 15, 2021	150	1,280	-	1,430	141,419,400	140,068,500	(1,350,900)	10.97%	14.39%	4.95%	A
Total as at June 30, 2019								201,458,160	199,948,500	(1,509,660)	15.66%	20.54%	5.95%	
Total as at June 30, 2018								75,030,000	75,038,760	8,760				

5.6 Term finance certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2018	Purchased during the year	Matured / sold during the year	As at June 30, 2019	Carrying cost as at June 30, 2019	Market value as at June 30, 2019	Net unrealised gain / (loss) on revaluation of investments as at June 30, 2019	Market value as a percentage of		Investment as a percentage of issue size	Rating
											net assets of the Fund	total market value of investment		
----- (Number of certificates) -----														
----- (Rupees) -----														
The Bank Of Punjab	6 Month Kibor + 1.00%	Unsecured	December 23, 2026	250	650	-	900	89,654,135	89,033,378	(620,757)	6.97%	9.15%	3.56%	AA-
The Bank Of Punjab	6 Month Kibor + 1.25%	Unsecured	April 23, 2028	-	160	-	160	15,740,851	15,728,870	(11,981)	1.23%	1.62%	0.37%	AA-
TPL Corp Limited	3 Month Kibor + 1.50%	Secured	December 19, 2019	50	-	-	50	1,669,754	1,663,320	(6,434)	0.13%	0.17%	0.14%	AA-
Agritech Limited (refer note 5.6.1)				1,141	-	-	1,141	-	-	-	-	-	-	-
Total as at June 30, 2019								107,064,740	106,425,568	(639,172)	8.34%	10.94%	4.07%	
Total as at June 30, 2018								29,860,050	30,554,773	(694,723)				

5.6.1 This represents additional TFCs of Agritech Limited (Formerly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lender and Agritech Limited. Under such agreement, outstanding mark-up due on May 29, 2011 amounting to Rs. 7.61 million was settled in the form of zero coupon TFCs valuing Rs. 7.61 million. This investment has been recorded as 100% impaired since these securities have been received in lieu of suspended overdue mark-up to be recognised in income upon realisation.

5.7 Term Deposit Receipts

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2018	Purchased during the year	Matured / sold during the year	As at June 30, 2019	Carrying cost as at June 30, 2019	Market value as at June 30, 2019	Net unrealised gain / (loss) on revaluation of investments as at June 30, 2019	Market value as a percentage of		Investment as a percentage of issue size	Rating
											net assets of the Fund	total market value of investment		
----- (Number of certificates) ----- (Rupees) -----														
The Bank Of Punjab	6 Month Kibor + 1.00%	Unsecured	December 23, 2026	250	650	-	900	89,654,135	89,033,378	(620,757)	6.97%	9.15%	3.56%	AA-
The Bank Of Punjab	6 Month Kibor + 1.25%	Unsecured	April 23, 2028	-	160	-	160	15,740,851	15,728,870	(11,981)	1.23%	1.62%	0.37%	AA-
TPL Corp Limited	3 Month Kibor + 1.50%	Secured	December 19, 2019	50	-	-	50	1,669,754	1,663,320	(6,434)	0.13%	0.17%	0.14%	AA-
Agritech Limited (refer note 5.6.1)				1,141	-	-	1,141	-	-	-	-	-	-	-
Total as at June 30, 2019								107,064,740	106,425,568	(639,172)	8.34%	10.94%	4.07%	
Total as at June 30, 2018								29,860,050	30,554,773	(694,723)				

5.8 Non compliant investments

Name of non compliant investment	Note	Type of investment	Value of Investment before provision	Provision balance as on July 01, 2018	Provision during the year	Provision balance as on June 30, 2019	Value of investment after provision	Fair value as a percentage of:		Credit rating
								Net assets	Gross assets	
----- (Rupees) -----										
Agritech Limited (IV issue)	5.8.1	Term finance certificates	5,705,000	(5,705,000)	-	(5,705,000)	-	-	-	CCC
Internationals Brands Limited		Sukuk certificates	140,068,500	-	-	-	140,068,500	10.97%	10.73%	A

5.8.1 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 the NBFC Regulations and the NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirements of the 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.

5.9 Unrealised loss on revaluation of 'investments classified as 'financial assets at fair value through profit or loss' - net

	2019	2018
	----- (Rupees) -----	
Market value of investments	973,247,012	1,745,094,605
Less: Carrying value of investments	<u>(1,081,386,189)</u>	<u>(1,817,734,755)</u>
	<u>(108,139,177)</u>	<u>(72,640,150)</u>

6 SECURITY DEPOSITS	2019	2018
	----- (Rupees) -----	
Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	<u>2,600,000</u>	<u>2,600,000</u>

7 RECEIVABLE AGAINST SALE OF INVESTMENTS - NET

This represents receivable against sale of investments which requires delivery and settlement / payment of securities within two days after transaction date as required by the Stock Exchange Regulations. These amounts have been received subsequent to the year ended June 30, 2019.

8 DIVIDEND AND OTHER RECEIVABLES	Note	2019	2018
		----- (Rupees) -----	
Dividend receivable		185,574	3,306,372
Mark-up / return receivable on:			
- Bank balances		1,166,345	566,642
- Term finance certificates		994,869	54,685
- Sukuk certificates		10,245,412	1,039,334
- Pakistan Investment Bonds		1,666,467	-
Advance against Initial Public Offer subscription		-	3,000,000
Advance tax	8.1	195,317	195,317
		<u>14,453,984</u>	<u>8,162,350</u>

- 8.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs 0.195 million (2018: Rs 0.195 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9 PAYABLE TO THE MANAGEMENT COMPANY	Note	2019	2018
		----- (Rupees) -----	
Management remuneration payable	9.1	2,216,057	3,611,750
Sindh sales tax payable on management remuneration	9.2	904,200	1,085,642
Federal excise duty payable on management remuneration	9.3	5,888,310	5,888,310
Payable against allocated expenses	9.4	747,227	1,152,944
Payable against selling and marketing expenses	9.5	2,988,891	4,611,779
Sales load payable		206,070	248,541
		<u>12,950,755</u>	<u>16,598,966</u>

- 9.1** The Management Company has charged remuneration at the rate of 2% (2018: 2%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2** During the year, an amount of Rs. 4.519 million (2018: Rs. 6.120 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 4.700 million (2018: Rs. 6.165 million) has been paid to the Management Company which acts as a collecting agent.
- 9.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 5.89 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.23 (2018: Re 0.17) per unit.

- 9.4 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.5 The SECP has allowed the asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the Fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

	Note	2019	2018
		----- (Rupees) -----	
10 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	10.1	273,457	343,252
Sindh sales tax payable on trustee remuneration	10.2	25,185	34,256
		<u>298,642</u>	<u>377,508</u>

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.7 million or 0.20% p.a. of net assets whichever is higher.
Over Rs.1 billion	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion.

- 10.2 During the year, an amount of Rs 0.356 million (2018: Rs. 0.436 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.365 million (2018: Rs. 0.438 million) was paid to the Trustee which acts as a collecting agent.

	Note	2019	2018
		----- (Rupees) -----	
11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to the SECP	11.1	<u>1,651,174</u>	<u>2,236,126</u>

- 11.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 (2018: 0.095) percent of the average annual net assets of the Fund.

	Note	2019	2018
		----- (Rupees) -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	12.1	12,040,338	12,040,338
Auditors' remuneration		577,591	583,693
Withholding tax		477,378	480,038
Brokerage expense		276,387	283,540
Sales load payable		147,290	260,774
Printing charges		94,302	82,757
Rating fee payable		216,283	71,704
Settlement charges		116,389	31,443
Capital value tax		2,356	10,558
Others		84,214	48,591
		<u>14,032,528</u>	<u>13,893,436</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.48 (2018: Re 0.35) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

14 PROFIT / MARK-UP INCOME	2019	2018
	----- (Rupees) -----	
Profit / mark-up on:		
- Market Treasury Bills	4,885,336	12,641,959
- Term Finance certificates	9,292,299	2,931,740
- Sukuk certificates	16,656,993	-
- Term deposit receipts	7,691,108	-
- Pakistan Investment Bonds	827,309	-
- Bank balances	<u>32,670,940</u>	<u>21,945,662</u>
	<u>72,023,985</u>	<u>37,519,361</u>
15 AUDITORS' REMUNERATION		
Audit fee	400,000	400,000
Review and other certifications	227,000	227,000
Out of pocket expenses	72,583	85,634
Sindh sales tax	<u>55,967</u>	<u>50,160</u>
	<u>755,550</u>	<u>762,794</u>

16 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 3.30% which includes 0.38% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

18.1 Unit Holder's Fund

2019									
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2019

Note ----- (Units) ----- (Rupees) -----

Other related parties

Bank Alfalah Limited - Employees

Provident Fund	18.1.1	2,816,302	-	331,009	-	3,147,311	174,558,059	-	18,358,629	-	159,200,126
MAB Investment Incorporated	18.1.1	2,050	-	241	-	2,291	127,062	-	13,364	-	115,883

Key management personnel

Head of Corporate Sales	18.1.1	4,139	-	486	-	4,625	256,543	-	26,981	-	233,948
Chief Executive Officer	18.1.1	14,191	-	1,668	-	15,859	879,577	-	92,509	-	802,192
Chief Financial Officer	18.1.1	61	-	7	68	-	3,781	8	396	3,812	-

2018									
As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2018

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

Other Related Parties

Bank Alfalah Limited - Employees

Provident Fund		2,816,302	-	-	-	2,816,302	198,452,129	-	-	-	174,558,059
MAB Investment Incorporated		-	2,050	-	-	2,050	-	1,258,977	-	-	127,062

Key management personnel

Head of Marketing		10,718	27	-	10,003	742	755,275	1,638	-	635,000	45,990
Chief Executive Officer		14,191	-	-	-	14,191	1,000,000	-	-	-	879,577
Chief Financial Officer		-	61	-	-	61	-	3,729	-	-	3,781
Assistant Vice President - Compliance		1,548	-	-	1,548	-	109,119	-	-	101,641	-

18.1.1 This reflects the position of related party / connected party status as at June 30, 2019.

2019 2018

18.2 Other transactions

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

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	34,761,503	47,076,375
Sindh sales tax on remuneration of the Management Company	4,518,984	6,119,899
Allocated expenses	1,738,064	2,353,809
Selling and marketing expenses	6,952,262	12,036,510
Sales load	7,020,253	17,095,426

Alfalah GHP Income Fund

Term finance certificates - purchased	29,592,234	25,023,014
Sukuk certificates - purchased	16,784,100	15,307,845

	2019	2018
	----- (Rupees) -----	
Alfalah GHP Income Multiplier Fund		
Sukuk certificates - purchased	20,733,300	-
Term finance certificates - purchased	14,796,117	-
Alfalah GHP Islamic Income Fund		
Sukuk certificates - purchased	64,174,500	-
Alfalah GHP Sovereign Fund		
Market Treasury Bills - sold	392,822,400	-
Market Treasury Bills - purchased	141,762,576	-
Pakistan Investment Bond - purchased	44,834,450	
Bank Alfalah Limited		
Profit on bank balances	7,213,408	14,481,932
Bank charges	27,836	61,292
Sales load	596,762	3,372,621
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	2,738,180	3,353,969
Sindh sales tax on remuneration of the Trustee	355,966	436,012
Settlement charges	182,500	201,651
18.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	2,216,057	3,611,750
Sindh sales tax payable on management remuneration	904,200	1,085,642
Payable against allocated expenses	747,227	1,152,944
Payable against selling and marketing expenses	2,988,891	4,611,779
Federal excise duty payable on management remuneration	5,888,310	5,888,310
Sales load payable	206,070	248,541
Bank Alfalah Limited		
Bank balance	291,120,230	411,196,492
Profit receivable	-	26,928
Sales load payable	147,290	260,774
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	273,457	343,252
Sindh sales tax payable on trustee remuneration	25,185	34,256
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019 all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	295,524,754	-	295,524,754
Investments	-	973,247,012	973,247,012
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments - net	19,632,139	-	19,632,139
Dividend and other receivables	14,258,667	-	14,258,667
	<u>332,015,560</u>	<u>973,247,012</u>	<u>1,305,262,572</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	12,950,755	12,950,755
Payable to the Trustee	-	298,642	298,642
Accrued expenses and other liabilities	-	1,428,242	1,428,242
	<u>-</u>	<u>14,677,639</u>	<u>14,677,639</u>

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
	(Rupees)		
Financial assets			
Bank balances	413,834,710	-	413,834,710
Investments	-	1,745,094,605	1,745,094,605
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	781,226	-	781,226
Dividend and other receivables	7,967,033	-	7,967,033
	<u>425,182,969</u>	<u>1,745,094,605</u>	<u>2,170,277,574</u>

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
	(Rupees)		
Financial liabilities			
Payable to the Management Company	-	16,598,966	16,598,966
Payable to the Trustee	-	377,508	377,508
Accrued expenses and other liabilities	-	1,313,911	1,313,911
	<u>-</u>	<u>18,290,385</u>	<u>18,290,385</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

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

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2019	2018
	-----Rupees-----	
Variable rate instruments (financial asset)		
Bank balances	295,524,754	413,834,710
Sukuk certificates	199,948,500	75,038,760
Term finance certificates	106,425,568	30,554,773
	<u>601,898,822</u>	<u>519,428,243</u>
Fixed rate instruments (financial assets)		
Government securities - Pakistan Investment Bonds	<u>44,401,710</u>	<u>-</u>

a) Sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.13 million (2018: Rs. 0.02 million) and consequently statement of movement in unit holder's fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.02 million (2018: Rs. Nil) and consequently statement of movement in unit holder's fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for the financial instruments recognised in the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

2019						
Effective yield / interest rate	%	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		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	7.35 - 13.60	295,524,754	-	-	-	295,524,754
Investments						
- Equity securities and real estate and investment trust units					622,471,234	622,471,234
- Sukuk certificates	6.97 - 11.03	59,880,000	140,068,500	-	-	199,948,500
- Term finance certificates	8.02 - 14.42	1,663,320	104,762,248	-	-	106,425,568
- Pakistan investment bonds	7.25	-	-	44,401,710	-	44,401,710
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	19,632,139	19,632,139
Dividend and other receivables		-	-	-	14,258,667	14,258,667
Sub total		<u>357,068,074</u>	<u>244,830,748</u>	<u>44,401,710</u>	<u>658,962,040</u>	<u>1,305,262,572</u>
Financial liabilities						
Payable to the Management Company	-	-	-	-	12,950,755	12,950,755
Payable to the Trustee	-	-	-	-	298,642	298,642
Accrued expenses and other liabilities	-	-	-	-	1,428,242	1,428,242
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>14,677,639</u>	<u>14,677,639</u>
On-balance sheet gap		<u>357,068,074</u>	<u>244,830,748</u>	<u>44,401,710</u>	<u>644,284,401</u>	<u>1,290,584,933</u>
Total interest rate sensitivity gap		<u>357,068,074</u>	<u>244,830,748</u>	<u>44,401,710</u>	<u>644,284,401</u>	<u>1,290,584,933</u>
Cumulative interest rate sensitivity gap		<u>357,068,074</u>	<u>601,898,822</u>	<u>646,300,532</u>		

2018					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	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	4 - 7.40	413,834,710	-	-	-	413,834,710
Investments						
- Equity securities and real estate and investment trust units		-	-	-	1,639,501,072	1,639,501,072
- Sukuk certificates	6.98 - 8.39	60,038,760	15,000,000	-	-	75,038,760
- Term finance certificates	6.98 - 8.39	5,009,260	25,545,513	-	-	30,554,773
- Pakistan investment bonds		-	-	-	-	-
Receivable against sale of investments		-	-	-	781,226	781,226
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	7,967,033	7,967,033
Sub total		478,882,730	40,545,513	-	1,650,849,331	2,170,277,574

Financial liabilities

Payable to the Management Company		-	-	-	16,598,966	16,598,966
Payable to the Trustee		-	-	-	377,508	377,508
Accrued expenses and other liabilities		-	-	-	1,313,911	1,313,911
Sub total		-	-	-	18,290,385	18,290,385

On-balance sheet gap

478,882,730	40,545,513	-	1,632,558,946	2,151,987,189
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Total interest rate sensitivity gap

478,882,730	40,545,513	-	1,632,558,946	2,151,987,189
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Cumulative interest rate sensitivity gap

478,882,730	519,428,243	519,428,243
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20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in listed equity securities and listed real estate investment trust units. The Fund manages its price risk arising from these investment by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by the SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the price movements as at June 30, 2019. The analysis is based on the assumption that the PSX index had increased or decreased by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of securities moved according to their historical correlation with the index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regard to the historical volatility of the index for the past three years.

At June 30, 2019, the fair value of securities exposed to price risk is disclosed in notes 5.1 and 5.2.

	2019	2018
	-----Rupees-----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investment and net assets	6,224,712	16,395,011
Income statement	6,224,712	16,395,011

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, security deposits, dividend and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria

laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	Rupees			
Bank balances	295,524,754	295,524,754	413,834,710	413,834,710
Investments	973,247,012	306,374,068	1,745,094,605	105,593,533
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Receivable against sale of investments - net	19,632,139	19,632,139	781,226	781,226
Dividend and other receivables	14,258,667	14,258,667	7,967,033	7,967,033
	<u>1,305,262,572</u>	<u>638,389,628</u>	<u>2,170,277,574</u>	<u>530,776,502</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities, listed real estate investment trust units and Government securities of Rs 666.87 million (2018: Rs 1,639.501 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2019 and June 30, 2018, except as specified in note 5.8 to these financial statements.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating agency	Rating	2019	2018
			Percentage of total bank balance	
Habib Bank Limited	JCR-VIS	A1+	0.00%	0.00%
National Bank of Pakistan	PACRA	A1+	0.28%	0.05%
Bank Alfalah Limited	PACRA	A1+	98.51%	99.36%
Allied Bank Limited	PACRA	A1+	0.01%	0.23%
Bank Al Habib Limited	PACRA	A1+	0.00%	0.00%
JS Bank Limited	PACRA	A1+	1.08%	0.33%
Habib Metropolitan Bank Limited	PACRA	A1+	0.01%	0.00%
Zarai Taraqiyati Bank Limited	JCR-VIS	A1+	0.03%	0.02%
Soneri Bank Limited	PACRA	A1+	0.02%	0.00%
Silk Bank Limited	JCR-VIS	A-2	0.06%	0.00%
Central Depository Company	N/A	N/A	0.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

20.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2019 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2019	2018
			Percentage of total balance	
Dawood Harcules Corporation Limited	PACRA	AA	19.54%	56.86%
International Brands Limited	JCR-VIS	A	45.72%	14.21%
The Bank Of Punjab	PACRA	AA	34.19%	24.19%
TPL Corp Limited	PACRA	A1	0.54%	4.74%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2019.

20.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the 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 mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	295,524,754	-	-	-	295,524,754
Investments	684,014,554	-	244,830,748	44,401,710	973,247,012
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	19,632,139	-	-	-	19,632,139
Dividend and other receivables	14,258,667	-	-	-	14,258,667
	1,016,030,114	-	244,830,748	44,401,710	1,305,262,572
Financial liabilities					
Payable to the Management Company	12,950,755	-	-	-	12,950,755
Payable to the Trustee	298,642	-	-	-	298,642
Accrued expenses and other liabilities	1,428,242	-	-	-	1,428,242
	14,677,639	-	-	-	14,677,639
Net assets	<u>1,001,352,475</u>	<u>-</u>	<u>244,830,748</u>	<u>44,401,710</u>	<u>1,290,584,933</u>
----- Rupees -----					
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
Financial assets					
Bank balances	413,834,710	-	-	-	413,834,710
Investments	1,639,501,072	-	-	105,593,533	1,745,094,605
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	781,226	-	-	-	781,226
Dividend and other receivables	7,967,033	-	-	-	7,967,033
	2,064,684,041	-	-	105,593,533	2,170,277,574
Financial liabilities					
Payable to the Management Company	16,598,966	-	-	-	16,598,966
Payable to the Trustee	377,508	-	-	-	377,508
Accrued expenses and other liabilities	1,313,911	-	-	-	1,313,911
	18,290,385	-	-	-	18,290,385
Net assets	<u>2,046,393,656</u>	<u>-</u>	<u>-</u>	<u>105,593,533</u>	<u>2,151,987,189</u>

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following financial instruments measured at fair values:

2019				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Listed equity securities	622,464,074	-	-	622,464,074
Listed real estate investment trust units	7,160	-	-	7,160
Sukuk certificates	-	199,948,500	-	199,948,500
Term finance certificates (TFCs)	-	106,425,568	-	106,425,568
Pakistan Investment Bonds	-	44,401,710	-	44,401,710
	<u>622,471,234</u>	<u>350,775,778</u>	<u>-</u>	<u>973,247,012</u>
2018				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investments				
Listed equity securities	1,639,491,990	-	-	1,639,491,990
Listed real estate investment trust units	9,082	-	-	9,082
Sukuk certificates	-	75,038,760	-	75,038,760
Term finance certificates (TFCs)	-	30,554,773	-	30,554,773
	<u>1,639,501,072</u>	<u>105,593,533</u>	<u>-</u>	<u>1,745,094,605</u>

During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and

- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and tracks the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

24 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

25 GENERAL

Figures have been rounded off to the nearest rupee.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 29, 2019**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	519	12,136,074	613,872,843	48%
Associated Co./ Directors	1	15,859	807,153	0%
Insurance Co.	1	449,852	22,754,827	2%
Retirement & Other Funds	25	8,816,556	445,966,969	35%
Others	16	3,817,955	193,122,998	15%
	562	25,236,296	1,276,524,790	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	756	17,098,423	1,065,382,226	24%
Associated Co./ Directors	-	-	-	-
Retirement & Other Funds	31	21,669,367	1,350,192,314	31%
Insurance Co.	4	1,752,714	109,209,522	2%
Others	32	29,822,190	1,858,185,692	42%
	823	70,342,694	4,382,969,754	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
Next Capital Limited	11%
Inter Market Securities Limited	10%
Shajar Capital Pakistan Private Limited	7%
IGI Finex Securities Limited	7%
Al Habib Capital Markets Limited	6%
Foundation Securities Limited	6%
Optimus Capital Management (Pvt) Limited	6%
Alfalah Securities (Private) Limited	6%
EFG Hermes Pakistan Limited	5%
AKD Securities Ltd.	4%
	30 June 2018
	%
Inter Market Securities Limited	9%
Foundation Securities Limited	7%
Alfalah Securities (Private) Limited	7%
IGI Finex Securities Limited	7%
Al Habib Capital Markets Limited	5%
Insight Securities (Private) Limited	5%
AKD Securities Ltd.	4%
Arif Habib Limited	3%
Elixir Securities Pakistan (Pvt.) Limited	3%
EFG Hermes Pakistan Limited	3%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGVF

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
	(Rupees in '000)				
Net Assets	1,276,525	2,137,367	2,089,196	655,950	572,209
NAV per unit	50.5829	61.9813	70.4655	63.3712	61.2579
Selling price per unit	52.2977	72.8543	72.8543	65.8853	65.3438
Redemption price per unit	50.5829	61.9813	70.4655	63.3712	61.2579
Highest selling price per unit	66.4491	87.9451	91.2799	76.7872	74.7389
Highest redemption price per unit	64.2703	85.0615	88.2870	73.8571	70.0655
Lowest selling price per unit	51.4357	60.3693	66.1035	62.5807	55.6200
Lowest redemption price per unit	49.7492	58.3899	63.9361	60.1927	52.1100
Total interim 1st distribution per unit	Nil	Nil	8.46	8.9	7.76
Total interim 2nd distribution per unit	Nil	Nil	103.89%	N/A	N/A
Interim 1st distribution date	Nil	Nil	22-Jun-17	29-Jun-16	26-Jun-15
Interim 2nd distribution date	Nil	Nil	29-Jun-17	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	N/A	N/A	N/A
Annualized returns	-8.80%	-12.04%	26.18%	18.30%	25.48%
Income distribution	Nil	Nil	14.98%	14.53%	14.10%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **8.96%**

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



**Alfalah GHP
Prosperity Planning Fund**

FUND INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Fund of Funds Scheme

Investment Objective

Alfalah GHP Prosperity Planning Fund is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Collective Investment Scheme in line with the risk tolerance of the investor.

Money Market Review:-

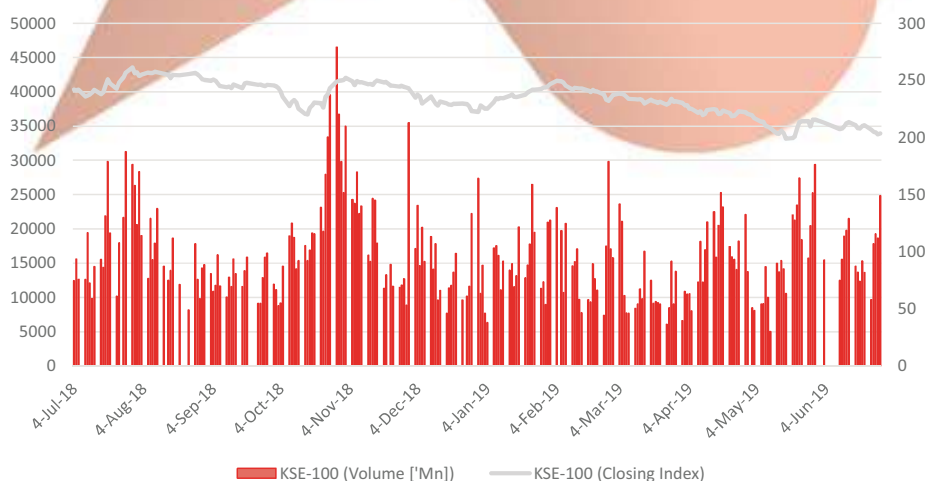
Pakistan's GDP posted a growth of 3.3% in FY19 as compared to 5.5% in FY18. Headline inflation rose up to 7.3% as compared to 3.9% in the same period last year. However, the CPI last quarter spiked up to 8.9% owing to the hike in oil prices and hefty depreciation of PKR which fell by 13.7% by the end of quarter. Measures taken by the incumbent government in order to control twin deficits in form of currency depreciation and monetary tightening started to bear fruit during the last quarter of the fiscal year.

The yield curve shifted upwards during the fiscal year due to continued expectation of monetary tightening as a result majority of the bond auctions during the fiscal year were rejected either due to lower participation or due to bids at scattered levels. During the year, the central bank was able to fetch PKR 18 trillion with majority of the participation witnessed in 3 month tenor. Through PIBs, the central bank was able to fetch PKR 708 billion against the target of PKR 800 billion with majority of the participation witnessed in 3 years followed by 5 years and 10 years.

Going forward, the recent statement from monetary policy committee suggests that the adjustments related to interest rates and the exchange rate from the previously accumulated imbalances has taken place, however any unanticipated increases in inflation that adversely affect the inflation outlook may lead to further modest tightening.

Equity Market Review

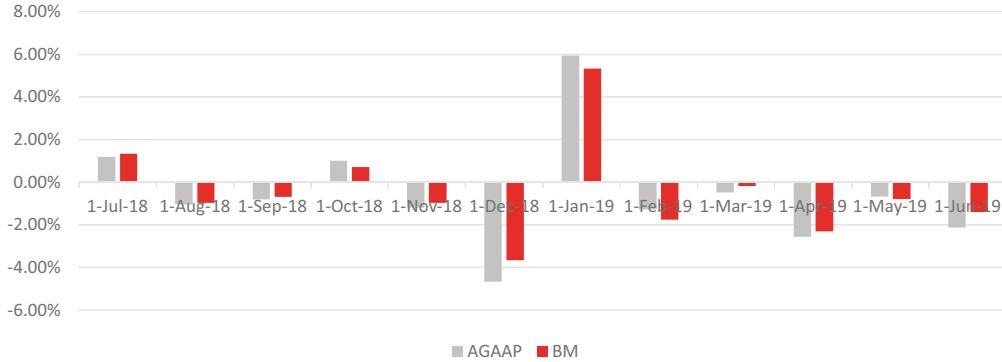
The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.



Active Allocation Plan

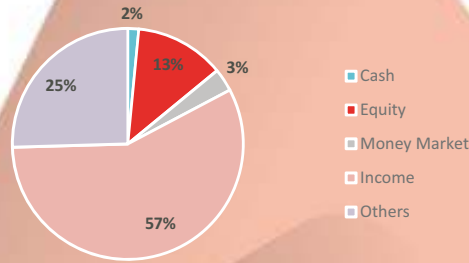
During the period under review, Alfalah GHP Prosperity Planning Fund - Active posted a return of -6.88% as compared to its benchmark of -5.49%. During the period, average equity exposure stood at 53.23%, fixed income at 29.77%, and money market at 16.25%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.

Alfalah GHP Active Allocation Plan



Assets Allocation/Portfolio quality:

Asset Allocation
(as at June 30, 2019)

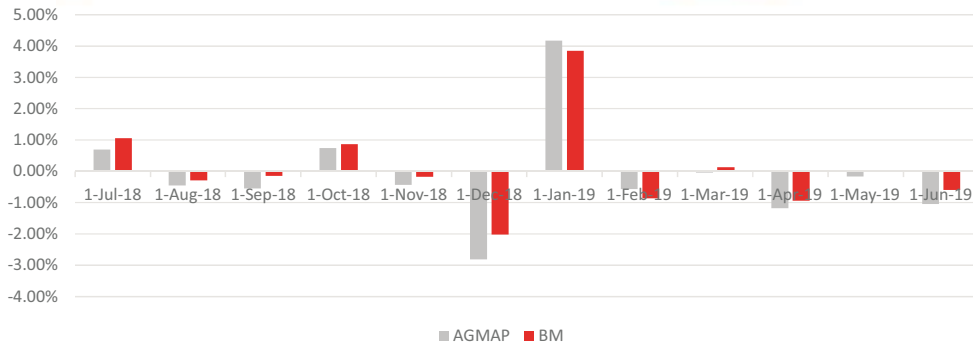


Moderate Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Moderate posted a return of -1.77% as compared to its benchmark of 0.77%. During the period, average equity exposure stood at 32.43%, fixed income at 58.09%, and money market at 9.50%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.

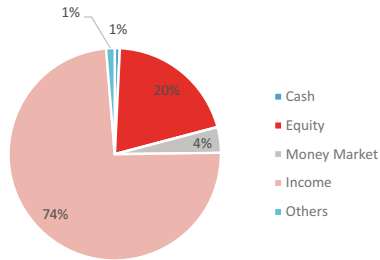
AGPPF-ModerateReturn Vs Benchmark:

Alfalah GHP Moderate Allocation Plan



Assets Allocation/Portfolio quality:

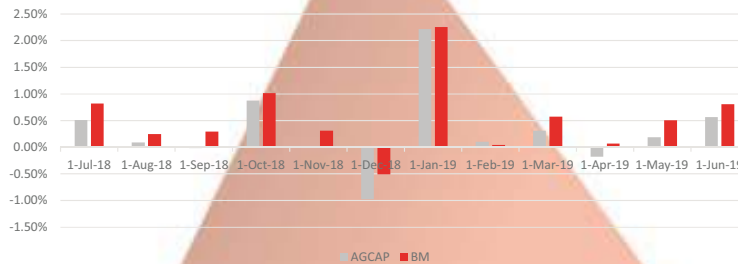
Asset Allocation
(as at June 30, 2019)



Conservative Allocation Plan:

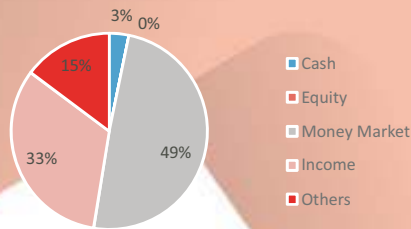
During the period under review, Alfalah GHP Prosperity Planning Fund - Conservative posted a return of 3.74% as compared to its benchmark of 6.61%. During the period, average equity exposure stood at 14.61%, fixed income at 36.28%, and money market at 47.32%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.

Alfalah GHP Conservative Allocation Plan



Assets Allocation/Portfolio quality:

Asset Allocation
(as at June 30, 2019)



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-E, Block 'B'
S.M.C.H.S. Main Shybra-e-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP PROSPERITY PLANNING 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 Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Prosperity Planning Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 583.905 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other matter

The financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 24, 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2019

	Note	2019				2018			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
		----- (Rupees) -----				----- (Rupees) -----			
Assets									
Bank balances	4	7,153,920	2,767,644	5,025,197	14,946,761	4,657,737	14,193,911	1,915,612	20,767,260
Investments	5	153,045,706	175,462,249	255,397,404	583,905,359	499,830,491	369,622,224	547,944,703	1,417,397,418
Preliminary expenses and floatation cost	6	27,517	806,189	248,128	1,081,834	52,337	1,456,254	454,353	1,962,944
Mark-up receivable on bank balances		4,810	-	-	4,810	526	-	248	774
Prepayments and other receivables		89,871	114,058	107,379	311,308	96,207	167,158	114,544	377,909
Total assets		160,321,824	179,150,140	260,778,108	600,250,072	504,637,298	385,439,547	550,429,460	1,440,506,305
Liabilities									
Payable to the Management Company	7	406,810	378,290	309,784	1,094,884	499,018	455,569	387,552	1,342,139
Payable to the Trustee	8	44,810	36,101	55,527	136,438	51,780	34,387	46,328	132,495
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	255,539	211,300	307,200	774,039	384,952	313,917	524,735	1,223,604
Accrued and other liabilities	10	1,869,404	2,691,148	3,345,335	7,905,887	1,766,769	1,284,722	3,165,259	6,216,750
Total liabilities		2,576,563	3,316,839	4,017,846	9,911,248	2,702,519	2,088,595	4,123,874	8,914,988
Net assets attributable to the unit holders		157,745,261	175,833,301	256,760,262	590,338,824	501,934,779	383,350,952	546,305,586	1,431,591,317
Unit holders' fund (as per statement attached)		157,745,261	175,833,301	256,760,262	590,338,824	501,934,779	383,350,952	546,305,586	1,431,591,317
Contingencies and commitments									
		----- (Number of units) -----				----- (Number of units) -----			
Number of units in issue		1,594,688	1,712,605	2,619,554		4,691,412	3,453,006	5,245,783	
		----- (Rupees) -----				----- (Rupees) -----			
Net asset value per unit		98.9192	102.6701	98.0168		106.9902	111.0195	104.1419	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	2019				2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Income								
Profit / mark-up income on bank balances	286,463	455,331	323,326	1,065,120	708,566	613,651	521,029	1,843,246
(Loss) / gain on sale of investments - net	(26,483,318)	(15,872,916)	(22,941,306)	(65,297,540)	(2,507,493)	1,088,493	(9,680,815)	(11,099,815)
Unrealised (loss) / gain on revaluation of investments classified as at fair value through profit or loss - net	5.2 (9,001,430)	(3,213,444)	(13,036,178)	(25,251,052)	(39,341,393)	3,564,030	(15,883,945)	(51,661,308)
Dividend income	20,331,563	30,735,951	31,548,826	82,616,340	-	-	-	-
Total income	(14,866,722)	12,104,922	(4,105,332)	(6,867,132)	(41,140,320)	5,266,174	(25,043,731)	(60,917,877)
Expenses								
Remuneration of the Management Company	7.1 29,821	49,800	10,809	90,430	76,795	99,724	46,993	223,512
Sindh sales tax on remuneration of the Management Company	7.2 3,885	6,500	1,409	11,794	9,995	12,258	6,095	28,348
Remuneration of the Trustee	8.1 387,303	327,122	477,284	1,191,709	494,821	405,612	680,060	1,580,493
Sindh sales tax on remuneration of the Trustee	8.2 50,354	42,529	62,046	154,929	64,496	52,728	88,415	205,639
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9 255,539	211,300	307,200	774,039	384,952	313,917	524,735	1,223,604
Amortisation of preliminary expenses and floatation	6 24,820	650,065	206,225	881,110	24,820	650,065	206,225	881,110
Auditors' remuneration	12 126,538	141,962	206,189	474,689	110,174	130,007	234,508	474,689
Annual listing fee	7,331	8,224	11,945	27,500	5,117	7,736	14,596	27,449
Annual rating fee	69,308	77,757	112,935	260,000	48,545	73,429	137,921	259,895
Printing charges	10,663	11,963	17,375	40,001	13,091	19,759	37,175	70,025
Allocated expenses	7.3 340,715	281,717	409,601	1,032,033	513,262	418,545	699,636	1,631,443
NCCPL Charges	11	1,051	620	1,682	9,098	11,339	16,218	36,655
Provision for Sindh Workers' Welfare Fund (SWWF)	10.1 -	205,883	-	205,883	-	60,191	-	60,191
Bank charges	7,163	1,017	7,378	15,558	7,117	25	25	7,167
Total expenses	1,313,451	2,016,890	1,831,016	5,161,357	1,762,283	2,255,335	2,692,602	6,710,220
Net (loss) / income for the year before taxation	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)
Taxation	14 -	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)
Allocation of net income for the year								
Net (loss) / income for the year after taxation	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)
Income already paid on units redeemed	-	(2,187,595)	-	-	-	-	-	-
	(16,180,173)	7,900,437	(5,936,348)	(12,028,489)	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)
Accounting income available for distribution								
- Relating to capital gain	-	-	-	-	-	3,010,839	-	-
- Excluding capital gain	-	7,900,437	-	-	-	-	-	-
	-	7,900,437	-	-	-	3,010,839	-	-

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2019

	2019				2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	----- (Rupees) -----				----- (Rupees) -----			
Net (loss) / income for the year after taxation	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019									
	Active Allocation Plan			Conservative Allocation Plan			Moderate Allocation Plan			Total
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Rupees										
Net assets at the beginning of the year	496,828,720	5,106,059	501,934,779	336,604,013	46,746,939	383,350,952	513,598,008	32,707,578	546,305,586	1,431,591,317
Issuance of units:										
AAP: 34,236 (2018: 2,186,102) CAP: 793,566 (2018: 440,185) MAP: 231,356 (2018: 1,073,284)										
- Capital value (at net asset value per unit at the beginning of the year)	3,636,829	-	3,636,829	82,034,885	-	82,034,885	23,084,100	-	23,084,100	108,755,814
- Element of income	(3,984)	-	(3,984)	478,917	-	478,917	(113,123)	-	(113,123)	361,810
Total proceeds on issuance of units	3,632,845	-	3,632,845	82,513,802	-	82,513,802	22,970,977	-	22,970,977	109,117,624
Redemption of units:										
AAP: 3,130,960 (2018: 250,430) CAP: 2,533,967 (2018: 1,358,594) MAP: 2,857,586 (2018: 4,469,004)										
- Capital value (at net asset value per unit at the beginning of the year)	332,596,245	-	332,596,245	261,948,839	-	261,948,839	285,122,501	-	285,122,501	879,667,585
- Element of loss	(4,528,442)	-	(4,528,442)	2,020,534	2,187,595	4,208,129	(1,437,769)	-	(1,437,769)	(1,758,082)
Total payments on redemption of units	328,067,803	-	328,067,803	263,969,373	2,187,595	266,156,968	283,684,732	-	283,684,732	877,909,503
Total comprehensive (loss) / income for the year	-	(16,180,173)	(16,180,173)	-	10,088,032	10,088,032	-	(5,936,348)	(5,936,348)	(12,028,489)
Bonus distribution for the year ended June 30, 2018 @Re 0.7619 per unit (Active Allocation Plan) @Re 6.7690 per unit (Conservative Allocation Plan) @Re 4.3645 per unit (Moderate Allocation Plan) on July 2, 2018	-	(3,574,387)	(3,574,387)	-	(23,373,397)	(23,373,397)	-	(22,895,221)	(22,895,221)	(49,843,005)
Final distribution for the year ended June 30, 2019 @Re 4.5499 per unit (Conservative Allocation Plan) on June 30, 2019	-	-	-	(2,933)	(7,505,415)	(7,508,348)	-	-	-	(7,508,348)
Final distribution for the year ended June 30, 2018 @Re 0.8922 per unit (Conservative Allocation Plan) on July 2, 2018	-	-	-	-	(3,080,772)	(3,080,772)	-	-	-	(3,080,772)
Net assets at the end of the year	172,393,762	(14,648,501)	157,745,261	155,145,509	20,687,792	175,833,301	252,884,253	3,876,009	256,760,262	590,338,824
	(Rupees)			(Rupees)			(Rupees)			
Undistributed income brought forward										
- Realised income	44,447,452			43,182,909			48,591,523			
- Unrealised (loss) / income	(39,341,393)			3,564,030			(15,883,945)			
	5,106,059			46,746,939			32,707,578			
Accounting income available for distribution										
- Relating to capital gains	-			-			-			
- Excluding capital gains	-			7,900,437			-			
	-			7,900,437			-			
Net loss for the year after taxation	(16,180,173)			-			(5,936,348)			
Bonus distribution for the year ended June 30, 2018 on @Re 0.7619 per unit (Active Allocation Plan) @Rs 6.7690 per unit (Conservative Allocation Plan) @Rs 4.3645 per unit (Moderate Allocation Plan) On July 2, 2018	(3,574,387)			(23,373,397)			(22,895,221)			
Final distribution for the year ended June 30, 2018 @Re 0.8922 per unit (Conservative Allocation Plan) On July 2, 2018	-			(3,080,772)			-			
Final distribution for the year ended June 30, 2019 @Re 4.5499 per unit (Conservative Allocation Plan) On June 30, 2019	-			(7,505,415)			-			
(Accumulated loss) / undistributed income carried forward	(14,648,501)			20,687,792			3,876,009			
(Accumulated loss) / undistributed income carried forward										
- Realised (loss) / income	(5,647,071)			23,901,236			16,912,187			
- Unrealised loss	(9,001,430)			(3,213,444)			(13,036,178)			
	(14,648,501)			20,687,792			3,876,009			
	(Rupees)			(Rupees)			(Rupees)			
Net asset value per unit at the beginning of the year	106.9902			111.0195			104.1419			
Net asset value per unit at the end of the year	98.9192			102.6701			98.0168			

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2018									
	Active Allocation Plan			Conservative Allocation Plan			Moderate Allocation Plan			Total
	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	Capital Value	Undistribut ed income	Total	
	----- Rupees -----									
Net assets at the beginning of the year	275,578,831	48,008,662	323,587,493	436,852,997	43,736,100	480,589,097	863,770,992	60,443,911	924,214,903	1,728,391,493
Issuance of units:										
AAP: 2,186,102 (2017: 1,616,720) CAP: 440,185 (2017: 4,172,059) MAP: 1,073,284 (2017: 8,727,589)										
- Capital value (at net asset value per unit at the beginning of the year)	256,698,874	-	256,698,874	48,393,499	-	48,393,499	114,788,475	-	114,788,475	419,880,848
- Element of income	(8,256,977)	-	(8,256,977)	(268,982)	-	(268,982)	(3,756,958)	-	(3,756,958)	(12,282,917)
Total proceeds on issuance of units	248,441,897	-	248,441,897	48,124,517	-	48,124,517	111,031,517	-	111,031,517	407,597,931
Redemption of units:										
AAP: 250,430 (2017: 906,968) CAP: 1,358,594 (2017: 886,120) MAP: 4,469,004 (2017: 2,906,732)										
- Capital value (at net asset value per unit at the beginning of the year)	29,406,267	-	29,406,267	149,362,466	-	149,362,466	477,963,106	-	477,963,106	656,731,839
- Element of loss	(2,214,259)	-	(2,214,259)	(988,965)	-	(988,965)	(16,758,605)	-	(16,758,605)	(19,961,829)
Total payments on redemption of units	27,192,008	-	27,192,008	148,373,501	-	148,373,501	461,204,501	-	461,204,501	636,770,010
Total comprehensive (loss) / income for the year	-	(42,902,603)	(42,902,603)	-	3,010,839	3,010,839	-	(27,736,333)	(27,736,333)	(67,628,097)
Distribution during the year	-	-	-	-	-	-	-	-	-	-
Net assets at the end of the year	<u>496,828,720</u>	<u>5,106,059</u>	<u>501,934,779</u>	<u>336,604,013</u>	<u>46,746,939</u>	<u>383,350,952</u>	<u>513,598,008</u>	<u>32,707,578</u>	<u>546,305,586</u>	<u>1,431,591,317</u>
	(Rupees)			(Rupees)			(Rupees)			
Undistributed income brought forward										
- Realised income	34,288,636			38,408,870			62,338,347			
- Unrealised income	13,720,026			5,327,230			(1,894,436)			
	<u>48,008,662</u>			<u>43,736,100</u>			<u>60,443,911</u>			
Accounting income available for distribution										
- Relating to capital gains	-			3,010,839			-			
- Excluding capital gains	-			-			-			
	-			3,010,839			-			
Net loss for the year after taxation	(42,902,603)			-			(27,736,333)			
Distribution during the year	-			-			-			
Undistributed income carried forward	<u>5,106,059</u>			<u>46,746,939</u>			<u>32,707,578</u>			
Undistributed income carried forward										
- Realised income	44,447,452			43,182,909			48,591,523			
- Unrealised (loss) / income	(39,341,393)			3,564,030			(15,883,945)			
	<u>5,106,059</u>			<u>46,746,939</u>			<u>32,707,578</u>			
	(Rupees)			(Rupees)			(Rupees)			
Net asset value per unit at the beginning of the year			<u>117.4231</u>			<u>109.9390</u>			<u>106.9507</u>	
Net asset value per unit at the end of the year			<u>106.9902</u>			<u>111.0195</u>			<u>104.1419</u>	

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	2019				2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	----- (Rupees) -----				----- (Rupees) -----			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the year before taxation	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)	(42,902,603)	3,010,839	(27,736,333)	(67,628,097)
Adjustments for:								
Amortisation of preliminary expenses and floatation cost	24,820	650,065	206,225	881,110	24,820	650,065	206,225	881,110
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss' - net	9,001,430	3,213,444	13,036,178	25,251,052	39,341,393	(3,564,030)	15,883,945	51,661,308
Provision against Sindh Workers' Welfare Fund	-	205,883	-	205,883	-	60,191	-	60,191
	(7,153,923)	14,157,424	7,306,055	14,309,556	(3,536,390)	157,065	(11,646,163)	(15,025,488)
(Increase) / decrease in assets								
Investments - net	337,783,355	190,946,531	279,511,121	808,241,007	(262,492,428)	(127,588,558)	244,180,889	(145,900,097)
Mark-up receivable on bank balances	(4,284)	-	248	(4,036)	343	2,356	764	3,463
Prepayment and other receivables	6,336	53,100	7,165	66,601	(5,598)	31,382	(98)	25,686
	337,785,407	190,999,631	279,518,534	808,303,572	(262,497,683)	(127,554,820)	244,181,555	(145,870,948)
(Decrease) / increase in liabilities								
Payable to the Management Company	(92,208)	(77,279)	(77,768)	(247,255)	(51,790)	(110,426)	(188,830)	(351,046)
Payable to the Trustee	(6,970)	1,714	9,199	3,943	6,902	(12,986)	(39,434)	(45,518)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(129,413)	(102,617)	(217,535)	(449,565)	155,916	26,789	114,165	296,870
Accrued and other liabilities	102,635	1,200,543	180,076	1,483,254	(2,817,922)	(3,633,050)	(12,190,075)	(18,641,047)
	(125,956)	1,022,361	(106,028)	790,377	(2,706,894)	(3,729,673)	(12,304,174)	(18,740,741)
Net cash generated from / (used in) operating activities	330,505,528	206,179,416	286,718,561	823,403,505	(268,740,967)	(131,127,428)	220,231,218	(179,637,177)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received against issuance of units (net of refund of capital)	58,458	59,137,472	75,756	59,271,686	248,441,897	49,043,497	111,031,517	408,516,911
Amount paid against redemption of units	(328,067,803)	(266,156,968)	(283,684,732)	(877,909,503)	(27,192,008)	(149,292,481)	(461,204,501)	(637,688,990)
Dividend paid	-	(10,586,187)	-	(10,586,187)	-	-	-	-
Net cash (used in) / generated from financing activities	(328,009,345)	(217,605,683)	(283,608,976)	(829,224,004)	221,249,889	(100,248,984)	(350,172,984)	(229,172,079)
Net increase / (decrease) in cash and cash equivalents during the year	2,496,183	(11,426,267)	3,109,585	(5,820,499)	(47,491,078)	(231,376,412)	(129,941,766)	(408,809,256)
Cash and cash equivalents at beginning of the year	4,657,737	14,193,911	1,915,612	20,767,260	52,148,815	245,570,323	131,857,378	429,576,516
Cash and cash equivalents at end of the year	4 7,153,920	2,767,644	5,025,197	14,946,761	4,657,737	14,193,911	1,915,612	20,767,260

The annexed notes 1 to 21 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalaha GHP Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a Trust Deed entered into on July 07, 2015 between Alfalah GHP Investment Management Limited, (the Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984. The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/SCOW/AGPPF/30/2015 dated July 30, 2015 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGPPF/29/2015 dated July 30, 2015.

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

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

According to the Trust Deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following allocation plans are offered:

- a. Alfalah GHP Active Allocation Plan
- b. Alfalah GHP Conservative Allocation Plan
- c. Alfalah GHP Moderate Allocation Plan

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. IFRS 9 has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVTPL. The investment of an entity in a mutual fund is required to be classified as "at fair value through profit or loss" based on criteria mentioned in IFRS-9. The Fund has all its investments in mutual funds which were previously also classified under "fair value through profit or loss" category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.3)
- Taxation (notes 3.8 and 14)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain investments classified as 'financial assets at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily classified as 'financial asset at fair value through profit or loss' under the criteria specified in IFRS 9.

3.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation of the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the Management Company.

The fair value of financial instruments i.e. investment in mutual funds is based on their NAV at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.3.3 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of each plan by the number of units in circulation at the year end.

3.8 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.9 Issue and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the net assets value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments classified as 'financial assets at fair value through profit and loss' are recognized in the Income Statement on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank deposits is recognized on a time proportion basis using the effective yield method.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Preliminary expenses and floatation cost

Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Regulations.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4. BANK BALANCES

		2019				2018			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			
In saving accounts	4.1	7,153,920	2,767,644	5,025,197	14,946,761	4,657,737	14,193,911	1,915,612	20,767,260

- 4.1 These represent balances in saving accounts maintained with banks carrying profit rates ranging from 6.80% to 13.15% (2018: 4% to 7.35%) per annum. This includes Rs 14.16 million (2018: Rs 20.23 million) placed with Bank Alfalah Limited (a related party).

5. INVESTMENTS

		2019				2018			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			
'At fair value through profit or loss' -									
Units of mutual fund	5.1	153,045,706	175,462,249	255,397,404	583,905,359	499,830,491	369,622,224	547,944,703	1,417,397,418

5.1 Investments - 'at fair value through profit or loss' - units of mutual funds

Active Allocation Plan

Particulars	As at July 1, 2018	Purchased during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of:	
					Carrying value	Market value	Unrealised loss	Net assets	Total investments
Alfalah GHP Alpha Fund*	1,902,824	616,715	2,223,377	296,162	19,415,279	16,413,323	(3,001,956)	10.40%	10.72%
Alfalah GHP Cash Fund*	54,020	61,751	102,928	12,843	6,399,959	6,409,518	9,559	4.06%	4.19%
Alfalah GHP Stock Fund*	1,018,853	128,458	1,047,262	100,049	11,902,648	9,837,594	(2,065,054)	6.24%	6.43%
Alfalah GHP Sovereign Fund*	162,695	652,062	814,523	234	25,012	24,873	(139)	0.02%	0.02%
Alfalah GHP Money Market Fund*	355,008	2,832,537	3,184,280	3,265	321,059	319,855	(1,204)	0.20%	0.21%
Alfalah GHP Income Fund*	438,918	946,781	1,385,621	78	8,818	8,774	(44)	0.01%	0.01%
Alfalah GHP Income Multiplier Fund*	1,100,872	6,447,331	5,294,792	2,253,411	123,974,361	120,031,769	(3,942,592)	76.09%	78.43%
Alfalah GHP Islamic Stock Fund*	477,300	116,954	594,254	-	-	-	-	-	-
As at June 30, 2019					162,047,136	153,045,706	(9,001,430)	97.02%	100%
As at June 30, 2018					539,171,884	499,830,491	(39,341,393)		

Conservative Allocation Plan

Particulars	As at July 1, 2018	Purchased during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of:	
					Carrying value	Market value	Unrealised loss	Net assets	Total investments
Alfalaha GHP Alpha Fund*	394,609	182,182	576,791	-	-	-	-	-	-
Alfalaha GHP Cash Fund*	81,876	11,175	-	93,051	48,151,772	46,440,162	(1,711,610)	26.41%	26.47%
Alfalaha GHP Stock Fund*	200,560	66,087	266,647	-	-	-	-	-	-
Alfalaha GHP Sovereign Fund*	50,561	2,138,118	1,920,399	268,280	28,720,987	28,525,304	(195,683)	16.22%	16.26%
Alfalaha GHP Money Market Fund*	1,225,482	1,420,528	2,042,099	603,911	59,992,779	59,154,295	(838,484)	33.64%	33.71%
Alfalaha GHP Income Fund*	570,510	1,296,793	1,774,746	92,557	10,682,012	10,411,373	(270,639)	5.92%	5.93%
Alfalaha GHP Income Multiplier Fund*	1,149,010	3,156,295	3,724,621	580,684	31,128,143	30,931,115	(197,028)	17.59%	17.63%
Alfalaha GHP Islamic Stock Fund*	143,579	35,182	178,761	-	-	-	-	-	-
As at June 30, 2019					178,675,693	175,462,249	(3,213,444)	99.78%	100%
As at June 30, 2018					366,058,194	369,622,224	3,564,030		

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

Moderate Allocation Plan

Particulars	As at July 1, 2018	Purchased during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of:	
					Carrying value	Market value	Unrealised loss	Net assets	Total investments
Alfalaha GHP Alpha Fund*	1,229,253	609,429	1,300,980	537,702	35,031,625	29,799,474	(5,232,151)	11.61%	11.67%
Alfalaha GHP Cash Fund*	34,277	45,484	66,549	13,212	6,750,248	6,593,557	(156,691)	2.57%	2.58%
Alfalaha GHP Stock Fund*	731,562	172,081	673,237	230,406	27,228,646	22,655,444	(4,573,202)	8.82%	8.87%
Alfalaha GHP Sovereign Fund*	147,462	4,496,388	3,788,506	855,344	91,619,630	90,946,232	(673,398)	35.42%	35.61%
Alfalaha GHP Money Market Fund*	387,895	1,462,635	1,813,726	36,804	3,643,631	3,605,094	(38,537)	1.40%	1.41%
Alfalaha GHP Income Fund*	823,577	1,690,180	2,511,650	2,107	237,360	236,951	(409)	0.09%	0.09%
Alfalaha GHP Income Multiplier Fund*	3,137,662	8,154,792	9,385,810	1,906,644	103,922,442	101,560,652	(2,361,790)	39.55%	39.77%
Alfalaha GHP Islamic Stock Fund*	238,790	58,511	297,301	-	-	-	-	-	-
As at June 30, 2019					268,433,582	255,397,404	(13,036,178)	99.46%	100%
As at June 30, 2018					563,828,648	547,944,703	(15,883,945)		

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

5.2 Unrealised (loss) / gain on revaluation of investments classified as at 'fair value through profit or loss' - net

Note	2019				2018				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	(Rupees)				(Rupees)				
Market value of investments	5.1	153,045,706	175,462,249	255,397,404	583,905,359	499,830,491	369,622,224	547,944,703	1,417,397,418
Less: carrying value of investments	5.1	(162,047,136)	(178,675,693)	(268,433,582)	(609,156,411)	(539,171,884)	(366,058,194)	(563,828,648)	(1,469,058,726)
		(9,001,430)	(3,213,444)	(13,036,178)	(25,251,052)	(39,341,393)	3,564,030	(15,883,945)	(51,661,308)

6. PRELIMINARY EXPENSES AND FLOATION COST

	2019				2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note	(Rupees)				(Rupees)			
Balance at the beginning of the year	52,337	1,456,254	454,353	1,962,944	77,157	2,106,319	660,578	2,844,054
Less: amortisation during the year	(24,820)	(650,065)	(206,225)	(881,110)	(24,820)	(650,065)	(206,225)	(881,110)
Balance at the end of the year	6.1 27,517	806,189	248,128	1,081,834	52,337	1,456,254	454,353	1,962,944

- 6.1 This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from September 12, 2015, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the Active Allocation plan, Moderate Allocation plan and Conservative Allocation Plan according to the ratios of their Pre IPO investments.

7. PAYABLE TO THE MANAGEMENT COMPANY

	2019				2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note	(Rupees)				(Rupees)			
Management remuneration payable	7.1 20,447	5,084	5,642	31,173	13,178	10,511	126	23,815
Sindh sales tax payable on management remuneration	7.2 2,818	1,406	2,246	6,470	1,965	2,088	1,525	5,578
Payable against allocated expenses	7.3 125,747	112,811	169,558	408,116	226,077	178,394	253,563	658,034
Federal excise duty payable on management remuneration	7.4 5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Sales load payable	252,241	252,065	121,465	625,771	252,241	257,652	121,465	631,358
	406,810	378,290	309,784	1,094,884	499,018	455,569	387,552	1,342,139

- 7.1 The Management Company has charged remuneration at the rate of 1% (2018: 1%) of average annual net assets of the Fund during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the year, an amount of Rs. 0.012 million (2018: Rs. 0.028 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.011 million (2018: Rs. 0.053 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 7.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.023 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit would have been higher by Re. 0.003 (2018: Re 0.001) per unit, Re. 0.004 (2018: Re 0.002) per unit and Re. 0.004 (2018: Re 0.002) per unit in respect of Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

8. PAYABLE TO THE TRUSTEE

		2019				2018			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Note		(Rupees)				(Rupees)			
Trustee remuneration payable	8.1	39,064	31,256	49,132	119,452	45,322	29,741	40,991	116,054
Sindh sales tax payable on Trustee remuneration	8.2	5,746	4,845	6,395	16,986	6,458	4,646	5,337	16,441
		44,810	36,101	55,527	136,438	51,780	34,387	46,328	132,495

- 8.1 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

Up to Rs 1 billion
Over Rs 1 billion

Tariff per annum

0.10% per annum of net assets
Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1 billion

- 8.2 During the year, an amount of Rs 0.155 million (2018: Rs. 0.206 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.154 million (2018: Rs. 0.211 million) was paid to the Trustee which acts as a collecting agent.

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

	2019				2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Annual fee payable	255,539	211,300	307,200	774,039	384,952	313,917	524,735	1,223,604

- 9.1 Under the provisions of the NBFC Regulations, a Collective Investment Scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 (2018: 0.075) percent of the average annual net assets of the Fund.

10. ACCRUED AND OTHER LIABILITIES

	2019				2018				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
Note	----- (Rupees) -----				----- (Rupees) -----				
Provision for Sindh Workers' Welfare Fund	10.1	1,307,217	1,180,957	2,508,540	4,996,714	1,307,217	975,074	2,508,540	4,790,831
Rating fee payable		303,172	242,045	485,819	1,031,036	233,864	164,288	372,884	771,036
Printing charges payable		95,612	-	80,649	176,261	93,398	-	71,866	165,264
Auditors' remuneration payable		81,805	11,795	153,219	246,819	112,447	-	126,065	238,512
Withholding tax payable		61,957	1,117,084	36,200	1,215,241	1,415	6,803	1,518	9,736
Capital gain tax payable		-	42,399	35,274	77,673	244	41,689	35,864	77,797
Others		1	-	-	1	18,184	-	5,344	23,528
Listing fee		19,640	-	2,456	22,096	-	-	-	-
Sales load payable		-	96,868	43,178	140,046	-	96,868	43,178	140,046
		<u>1,869,404</u>	<u>2,691,148</u>	<u>3,345,335</u>	<u>7,905,887</u>	<u>1,766,769</u>	<u>1,284,722</u>	<u>3,165,259</u>	<u>6,216,750</u>

- 10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from September 12, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from September 12, 2015 to June 30, 2019, the net asset value of the plan as at June 30, 2019 would have been higher by Re. 0.82 per unit (2018: Re 0.28), Re. 0.69 (2018: Re 0.28) and Re. 0.96 per unit (2018: Re 0.48) in respect of Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

12. AUDITORS' REMUNERATION

	2019				2018			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	----- (Rupees) -----				----- (Rupees) -----			
Annual audit fee	60,000	67,000	97,329	224,329	50,370	59,130	107,310	216,810
Review and other certifications	45,000	50,000	70,000	165,000	40,480	47,520	86,240	174,240
Out of pocket expenses	12,165	14,446	23,587	50,198	12,056	14,825	25,474	52,355
Sindh sales tax on services	9,373	10,516	15,273	35,162	7,268	8,532	15,484	31,284
	<u>126,538</u>	<u>141,962</u>	<u>206,189</u>	<u>474,689</u>	<u>110,174</u>	<u>130,007</u>	<u>234,508</u>	<u>474,689</u>

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the plan as at June 30, 2019 is 0.39%, 0.72% and 0.45% in respect of Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively which includes 0.09%, 0.17% and 0.09% representing government levies on the plans such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds.

14. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. During the year, the Management Company has distributed the income earned by Conservative Allocation Plan for the year to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements. Active Allocation Plan and Moderate Allocation Plan have incurred a loss during the year, accordingly, no provision for taxation has been made in these financial statements for those plans.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

15.1 Unit Holders' Fund

2019									
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019

Note ----- (Units) ----- (Rupees) -----

- Active Allocation Plan

Associated companies / undertakings

Bank Alfalah Limited - Employees Provident Fund	15.1.1	528,437	-	3,790	532,227	-	56,537,527	-	402,616	56,559,731	-
Bank Alfalah Limited - Employees Gratuity Fund	15.1.1	1,056,875	-	7,580	-	1,064,455	113,075,162	-	805,232	-	105,295,037

2019										
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	

Note ----- (Units) ----- (Rupees) -----

- Conservative Allocation Plan

Unit holder holding 10% or more units

Medicare Pakistan (Private) Limited	15.1.1	450,762	-	32,828	483,590	-	50,043,372	-	3,393,053	51,317,180	-
Additional Registrar (Judicial) / Deputy Registrar Judicial	15.1.1	1,456,557	-	164,940	-	1,621,497	160,132,420	-	17,007,406	-	166,479,259
Jinnah Medical & Dental College (SMST)	15.1.1	850,181	-	-	-	850,181	94,386,670	-	-	-	87,288,168

- Moderate Allocation Plan

Unit holder holding 10% or more units

Pakistan Services Limited Employees Provident Fund	15.1.1	319,758	-	13,987	-	333,745	33,300,201	-	1,395,584	-	34,265,633
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2018										
As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	

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

- Active Allocation Plan

Associated companies / undertakings

Bank Alfalah Limited - Employees Provident Fund		528,437	-	-	-	528,437	62,050,711	-	-	-	56,537,527
Bank Alfalah Limited - Employees Gratuity Fund		1,056,875	-	-	-	1,056,875	124,101,539	-	-	-	113,075,162

Unit holder holding 10% or more units

Mohammad Ishaq Dar		-	1,315,093	-	-	1,315,093	-	150,000,000	-	-	140,701,932
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- Conservative Allocation Plan

Unit holder holding 10% or more units

Jinnah Medical and Dental College (SMST)		850,181	-	-	-	850,181	93,468,049	-	-	-	94,386,670
Additional Registrar Judicial / Deputy Registrar Judicial		1,456,557	-	-	-	1,456,557	160,132,420	-	-	-	161,706,230
Medicare Pakistan (Private) Limited		450,762	-	-	-	450,762	49,556,324	-	-	-	50,043,372

15.1.1 This reflects the position of related party / connected persons status as at June 30, 2019.

15.2 Other transactions

2019				2018			
Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)				(Rupees)			

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company

Company	29,821	49,800	10,809	90,430	76,795	99,724	46,993	223,512
Sindh sales tax on remuneration of the Management Company	3,885	6,500	1,409	11,794	9,995	12,258	6,095	28,348
Allocated expenses	340,715	281,717	409,601	1,032,033	513,262	418,545	699,636	1,631,443
Sales load	143,655	37,293	39,437	220,385	143,655	37,293	39,437	220,385

Bank Alfalah Limited

Profit / mark-up income on bank balances

Profit / mark-up income on bank balances	280,244	452,584	320,689	1,053,517	488,415	254,604	317,357	1,060,376
Bank charges	7,163	1,017	7,378	15,558	4,460	25	25	4,510
Sales load	-	363,898	-	363,898	769,394	244,391	811,804	1,825,589

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee

Remuneration of the Trustee	387,303	327,122	477,284	1,191,709	494,821	405,612	680,060	1,580,493
Sindh sales tax on remuneration of the Trustee	50,354	42,529	62,046	154,929	64,496	52,728	88,415	205,639

15.3 Other balances

2019				2018			
Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
(Rupees)				(Rupees)			

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable

Management remuneration payable	20,447	5,084	5,642	31,173	13,178	10,511	126	23,815
Sindh sales tax payable on management remuneration	2,818	1,406	2,246	6,470	1,965	2,088	1,525	5,578
Payable against allocated expenses	125,747	112,811	169,558	408,116	226,077	178,394	253,563	658,034
Federal excise duty payable on management remuneration	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Sales load payable	252,241	257,650	121,465	631,356	252,241	257,652	121,465	631,358

Bank Alfalah Limited

Bank balances

Bank balances	4,471,527	13,990,337	1,772,933	20,234,797	4,471,527	13,990,337	1,772,933	20,234,797
Sales load payable	-	91,283	43,178	134,461	-	96,868	43,178	140,046

Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable

Trustee remuneration payable	39,064	31,256	49,132	119,452	45,322	29,741	40,991	116,054
Sindh sales tax payable on Trustee remuneration	5,746	4,845	6,395	16,986	6,458	4,646	5,337	16,441

16. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets at amortized cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019			2018		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees)			(Rupees)		
Financial assets						
Bank balances	14,946,761	-	14,946,761	20,767,260	-	20,767,260
Investments	-	583,905,359	583,905,359	-	1,417,397,418	1,417,397,418
Mark-up receivable on bank balances	4,810	-	4,810	774	-	774
Other receivables	243,574	-	243,574	310,175	-	310,175
	<u>15,195,145</u>	<u>583,905,359</u>	<u>599,100,504</u>	<u>21,078,209</u>	<u>1,417,397,418</u>	<u>1,438,475,627</u>

Particulars	2019			2018		
	At fair value through profit or loss	At amortised cost	Total	At fair value through profit or loss	At amortised cost	Total
	(Rupees)			(Rupees)		
Financial liabilities						
Payable to the Management Company	-	1,094,884	1,094,884	-	1,342,139	1,342,139
Payable to the Trustee	-	136,438	136,438	-	132,495	132,495
Accrued and other liabilities	-	1,616,259	1,616,259	-	1,338,386	1,338,386
	<u>-</u>	<u>2,847,581</u>	<u>2,847,581</u>	<u>-</u>	<u>2,813,020</u>	<u>2,813,020</u>

17. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

17.1.1 Currency risk

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

17.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	Note	2019	2018
		(Rupees)	
Variable rate instruments (financial assets)			
Bank balances	4	<u>14,946,761</u>	<u>20,767,260</u>

a) **Sensitivity analysis for variable rate instrument**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.15 million (2018: Rs 0.21 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) **Sensitivity analysis for fixed rate instrument**

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Total
	Effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		

(Rupees)

Financial assets

Bank balances	6.80%-13.15%	14,946,761	-	-	-	14,946,761
Investments		-	-	-	583,905,359	583,905,359
Mark-up receivable on bank balances		-	-	-	4,810	4,810
Other receivables		-	-	-	243,574	243,574
Sub-total		<u>14,946,761</u>	<u>-</u>	<u>-</u>	<u>584,153,743</u>	<u>599,100,504</u>

Financial liabilities

Payable to the Management Company		-	-	-	1,094,884	1,094,884
Payable to the Trustee		-	-	-	136,438	136,438
Accrued and other liabilities		-	-	-	1,616,259	1,616,259
Sub-total		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,847,581</u>	<u>2,847,581</u>

On-balance sheet gap

		<u>14,946,761</u>	<u>-</u>	<u>-</u>	<u>581,306,162</u>	<u>596,252,923</u>
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Total interest rate sensitivity gap

		<u>14,946,761</u>	<u>-</u>	<u>-</u>	<u>581,306,162</u>	<u>596,252,923</u>
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Cumulative interest rate sensitivity gap

		<u>14,946,761</u>	<u>14,946,761</u>	<u>14,946,761</u>		
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Effective interest rate	2018				Total
	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
	Upto three months	More than three months and up to one year	More than one year		

(Rupees)

Financial assets

Bank balances	4%-7.35%	20,767,260	-	-	-	20,767,260
Investments		-	-	-	1,417,397,418	1,417,397,418
Mark-up receivable on bank balances		-	-	-	774	774
Other receivables		-	-	-	310,175	310,175
Sub-total		<u>20,767,260</u>	<u>-</u>	<u>-</u>	<u>1,417,708,367</u>	<u>1,438,475,627</u>

2018					
Effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		

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

Financial liabilities

Payable to the Management Company	-	-	-	1,342,139	1,342,139
Payable to the Trustee	-	-	-	132,495	132,495
Accrued and other liabilities	-	-	-	1,338,386	1,338,386
Sub-total	-	-	-	2,813,020	2,813,020

On-balance sheet gap

	20,767,260	-	-	1,414,895,347	1,435,662,607
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Total interest rate sensitivity gap

	20,767,260	-	-	1,414,895,347	1,435,662,607
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Cumulative interest rate sensitivity gap

	20,767,260	20,767,260	20,767,260		
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17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

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, 2019. The analysis is based on the assumption that prices increase and decrease by 5%, with all other variables held constant.

At June 30, 2019, the fair value of open end mutual funds exposed to price risk was disclosed in note 5.1.

	2019	2018
	----- (Rupees) -----	
Investments and net assets	29,195,268	70,869,871
Income statement	29,195,268	70,869,871

17.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

17.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances	14,946,761	14,946,761	20,767,260	20,767,260
Investments	583,905,359	-	1,417,397,418	-
Mark-up receivable on bank balances	4,810	4,810	774	774
Other receivables	243,574	-	310,175	-
	599,100,504	14,951,571	1,438,475,627	20,768,034

The risk of default is considered minimal due to inherent systematic measures taken therein.

No financial assets were considered to be past due or impaired either at June 30, 2019 and June 30, 2018.

17.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks (including profit receivable) having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2019	2018
			Percentage of total balance	
JS Bank Limited	PACRA	A1+	1.15%	0.83%
Bank Alfalah Limited	JCR-VIS	A1+	94.72%	97.44%
Allied Bank Limited	PACRA	A1+	0.39%	0.28%
National Bank of Pakistan	PACRA	A1+	3.74%	1.45%
			<u>100.00%</u>	<u>100.00%</u>

17.2.3 Open end mutual fund - Quoted

The Fund had investments at June 30, 2019 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating Agency	Rating	2019	2018
			Percentage of total balance	
Alfalah GHP Alpha Fund	Not Rated	Not Rated	7.91%	18.04%
Alfalah GHP Cash Fund	PACRA	AA(f)	10.18%	6.24%
Alfalah GHP Stock Fund	Not Rated	Not Rated	5.56%	18.44%
Alfalah GHP Sovereign Fund	PACRA	AA-(f)	20.47%	2.82%
Alfalah GHP Money Market Fund	PACRA	AA+(f)	10.80%	14.27%
Alfalah GHP Income Fund	PACRA	A+(f)	1.83%	15.17%
Alfalah GHP Income Multiplier Fund	PACRA	A+(f)	43.25%	21.23%
Alfalah GHP Islamic Stock Fund	Not Rated	Not Rated	0.00%	3.79%
			<u>100.00%</u>	<u>100.00%</u>

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund has majority of its net assets invested in funds managed by the Management Company. Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2019		2018	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	14,951,571	2.50%	20,768,034	1.44%
Open end mutual funds - Quoted	583,905,359	97.50%	1,417,397,418	98.56%
	<u>598,856,930</u>	<u>100.00%</u>	<u>1,438,165,452</u>	<u>100.00%</u>

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
-----Rupees-----					
Financial assets					
Bank balances	14,946,761	-	-	-	14,946,761
Investments	583,905,359	-	-	-	583,905,359
Prepayments and other receivables	243,574	-	-	-	243,574
Mark-up receivable on bank balances	4,810	-	-	-	4,810
	599,100,504	-	-	-	599,100,504
Financial liabilities					
Payable to the Management Company	1,094,884	-	-	-	1,094,884
Payable to the Trustee	136,438	-	-	-	136,438
Accrued and other liabilities	1,616,259	-	-	-	1,616,259
	2,847,581	-	-	-	2,847,581
Net assets	<u>596,252,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596,252,923</u>
-----Rupees-----					
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
-----Rupees-----					
Financial assets					
Bank balances	20,767,260	-	-	-	20,767,260
Investments	1,417,397,418	-	-	-	1,417,397,418
Prepayments and other receivables	310,175	-	-	-	310,175
Mark-up receivable on bank balances	774	-	-	-	774
	1,438,475,627	-	-	-	1,438,475,627
Financial liabilities					
Payable to the Management Company	1,342,139	-	-	-	1,342,139
Payable to the Trustee	132,495	-	-	-	132,495
Accrued and other liabilities	1,338,386	-	-	-	1,338,386
	2,813,020	-	-	-	2,813,020
Net assets	<u>1,435,662,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,435,662,607</u>

17.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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); and

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

As at June 30, 2019, the Fund held the following financial instruments measured at fair values:

-----2019-----			
Level 1	Level 2	Level 3	Total
-----Rupees-----			
Financial assets 'at fair value through profit or loss' - net			
Investments			
- Open end mutual funds - Quoted			
-	583,905,359	-	583,905,359

-----2018-----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets 'at fair value through profit or loss' - net

Investments

- Open end mutual funds - Quoted

-	1,417,397,418	-	1,417,397,418
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During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

17.5 Unit Holders' Fund risk management

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

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

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors 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 Management 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 plan's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

18. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

19. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

20. GENERAL

Figures are rounded off to the nearest rupee.

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Active Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	10	205,918	20,369,214	13%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	4	1,388,770	137,376,045	87%
Others	0	-	-	0%
	14	1,594,688	157,745,259	100%

Conservative Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	28	91,108	9,354,010	5%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	2	1,621,497	166,479,290	95%
	30	1,712,605	175,833,301	100%

Moderate Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	50	544,143	53,335,125	21%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	9	1,584,743	155,331,430	60%
Others	1	490,668	48,093,707	19%
	60	2,619,554	256,760,262	100%

Active Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	17	2,095,851	226,838,281	45%
Associated Co./ Directors	-	-	-	0%
Retirement & Other Funds	7	2,120,179	224,235,346	45%
Others	2	475,382	50,861,152	10%
	26	4,691,412	501,934,779	100%

Conservative Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	29	695,506	77,214,658	20%
Retirement & Other Funds	-	-	-	0%
Others	4	2,757,500	306,136,294	80%
	33	3,453,006	383,350,952	100%

Moderate Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	72	1,673,508	174,282,052	32%
Retirement & Other Funds	12	2,478,831	258,150,165	47%
Others	3	1,093,444	113,873,369	21%
	87	5,245,783	546,305,586	100%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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 Abameco 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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGPPF

	30 June 2019			30 June 2018			30 June 2017		
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan
Net Assets	157,745	175,833	256,760	501,934,779	383,350,952	546,305,586	323,587,493	480,589,097	924,214,903
NAV per unit	98.9192	102.6701	98.0168	106.9901	111.0195	104.1419	117.4231	109.9390	106.9507
Selling price per unit	101.1548	103.8303	99.6782	109.4081	112.2740	105.9071	120.0769	111.1813	108.7635
Redemption price per unit	98.9192	102.6701	98.0168	106.9901	111.0195	104.1419	117.4231	109.9390	106.9507
Highest selling price per unit	111.0652	108.0984	103.5258	119.3368	113.2460	109.1628	139.3001	117.6691	124.2805
Highest redemption price per unit	108.6106	106.8905	101.8003	116.6994	111.9806	107.3433	136.2215	116.3543	122.2091
Lowest selling price per unit	98.4475	103.4828	97.7832	104.5700	108.9126	102.3158	110.5399	106.9105	107.0119
Lowest redemption price per unit	96.2718	102.3265	96.1534	102.2589	107.6956	100.6105	108.0969	105.7159	105.2283
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil	8.5388	4.5144	10.5442
Interim distribution date	N/A	N/A	N/A	N/A	N/A	N/A	29-Jun-16	29-Jun-16	29-Jun-16
Final distribution per unit	Nil	4.5499	Nil	Nil	0.8922	Nil	Nil	Nil	Nil
Final distribution date	N/A	June 30, 2019	N/A	N/A	July 2, 2018	N/A	N/A	N/A	N/A
Annualized returns	-6.88%	3.74%	-1.77%	-8.88%	0.98%	-2.63%	16.65%	8.46%	12.07%
Income distribution	Nil	4.40%	Nil	Nil	0.81%	Nil	7.94%	4.28%	10.06%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

AAP - Return since inception is 1.71%

CAP - Return since inception is 4.89%

MAP - Return since inception is 3.83%

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



Alfalah
GHP Islamic Prosperity
Planning Fund

FUND INFORMATION

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

Alfalah GHP Islamic Prosperity Planning Fund

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Fund of Funds Scheme

Investment Objective

Alfalah GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Complaint Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

Accomplishment of Objective

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

Money Market Review:-

Pakistan's GDP posted a growth of 5.79% in FY 18 as compared to 5.37% in FY 17. Headline inflation rose up by 3.92% as compared to 4.15% in the same period last year. However, the CPI last quarter spiked up by 4.70% owing to the hike in oil prices and hefty depreciation of PKR which was adjusted up by 15%. The current account deficit increased by 50% during FY18, while the foreign reserves of Pakistan depleted by 18.81% to USD 16.6bn in FY18 as compared to USD 20.2 bn in FY 17. The rising imports and dwindling FX reserves led the policy makers hike the discount rate twice during the year to 7% from 6.25% in FY 17.

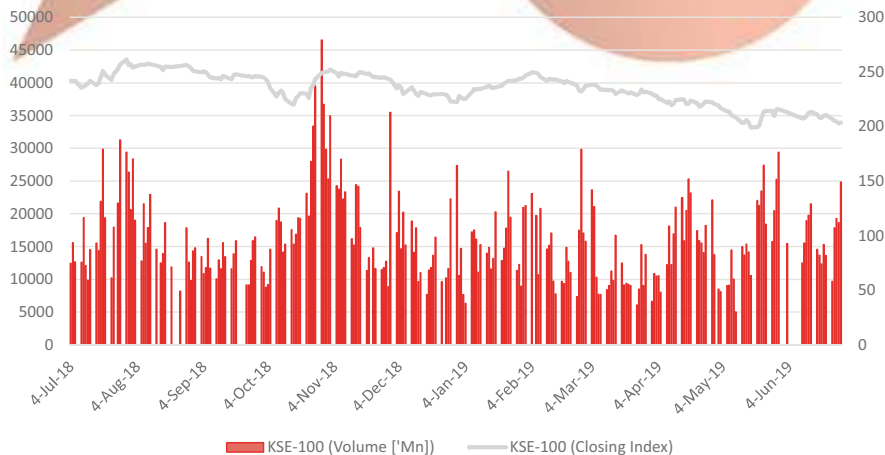
The hike in discount rate owing to macro-economic instability, led the yield curve to adjust upwards sharply, as yields in short term T-bills skewed up by 79, 90 and 116 bps. Meanwhile yields on 3 years, 5 years and 10 years bond rose up by 180, 170 and 90 bps respectively during the year.

During the year, SBP raised PKR.17.3 trillion through T-bills against the target of PKR 16.92 trillion with participation seen mainly in 3 months tenor. Through PIBs, a minimal amount of PKR 98.3 billion was raised compared to a cumulative target of PKR. 900 billion with major participation skewed towards 3 years tenor.

The sharp adjustment in secondary market yields is evident as the monetary tightening cycle has begun and going forward we believe that owing to the increase in macro-economic risks, another hike of 100-150 bps in discount rate is expected in FY19.

Equity Market Review

The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.

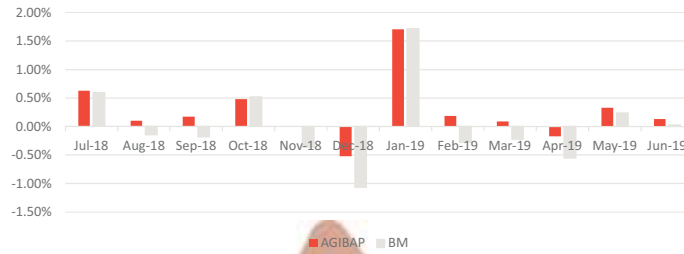


Islamic Balance Fund:

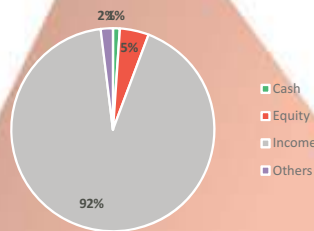
During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Balanced posted a return of 0.80% as compared to its benchmark of 0.52%.

During the period, average equity exposure stood at 13.76% and fixed income at 85.57%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.

Alfalah GHP Islamic Balanced Allocation Plan



Asset Allocation (as at 30 June 2019)

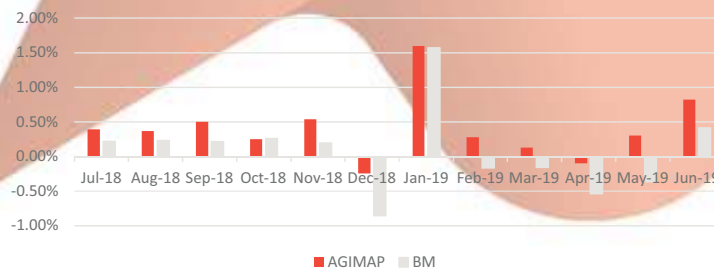


Islamic Moderate Fund:

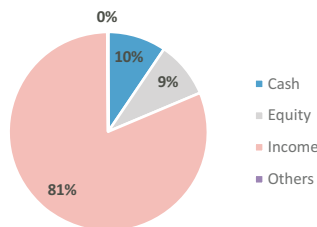
During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active posted a return of 4.94% as compared to its benchmark of 1.02%.

During the period, average equity exposure stood at 6.62% and fixed income at 93.81%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.

Alfalah GHP Islamic Moderate Allocation Plan



Asset Allocation (as at 30 June 2019)

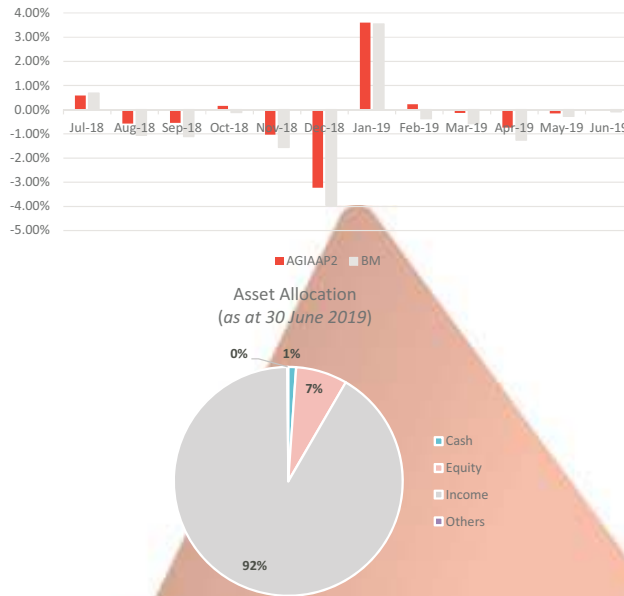


Islamic Active Fund - II:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active II posted a return of -1.93% as compared to its benchmark of -6.16%.

During the period, average equity exposure stood at 32.89% and fixed income at 65.65%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.

Alfalah GHP Islamic Active Allocation Plan 2

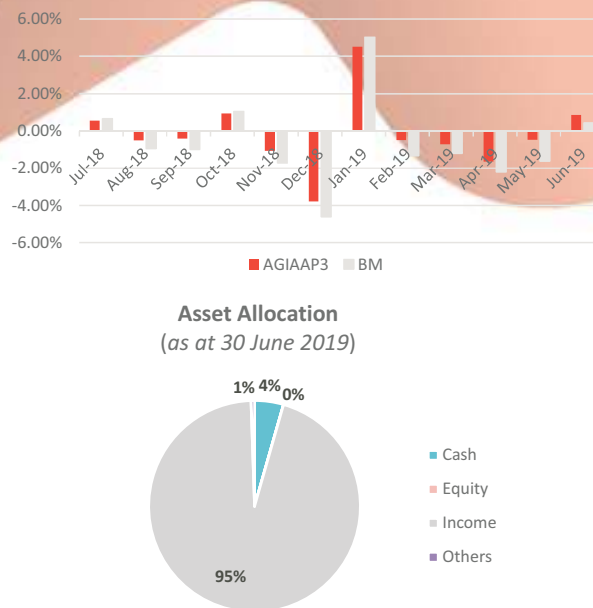


Islamic Active Fund - III:

During the period under review, Alfalah GHP Prosperity Planning Fund - Active III posted a return of -2.41% as compared to its benchmark of -7.51%.

During the period, average equity exposure stood at 38.86% and fixed income at 59.47%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.

Alfalah GHP Islamic Active Allocation Plan 3



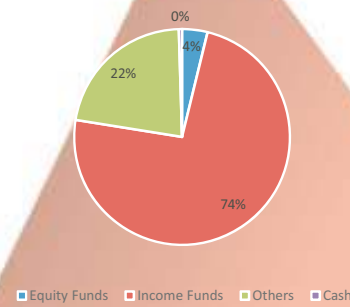
Alfalah Islamic Capital Preservation Plan 4

The fund generated a return of 3.91% against the benchmark which generated 0.59%.

During the period, average equity exposure stood at 8.97% and fixed income at 56.49%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



Asset Allocation as at June 30, 2019



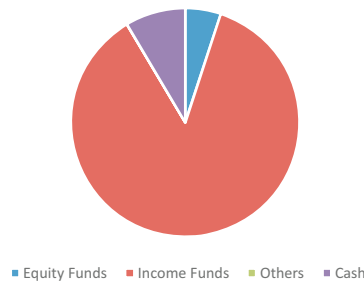
Alfalah Islamic Capital Preservation Plan 5

The fund generated a return of 3.60% against the benchmark which generated 1.54%.

During the period, average equity exposure stood at 3.11% and fixed income at 88.69%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



Asset Allocation as at June 30, 2019



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

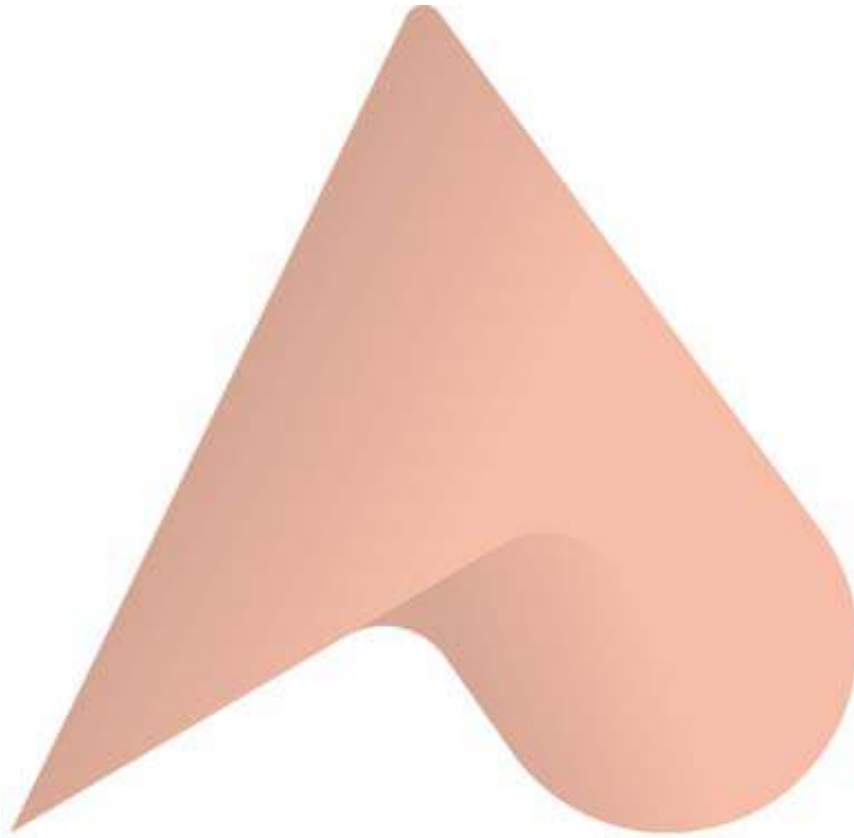
There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.



**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

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S.M.C.H.S, Main Shahr-e-Faisal
Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 22
URL: www.cdcpk.com
Email: info@cdcpk.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING 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 Islamic Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **Alfalah GHP Investment Management Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **Alfalah GHP Islamic Prosperity Planning Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2019, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund.

Management's Responsibility for Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance with respect to making investments of the Fund in accordance with Shariah Principles.
- checking that the Shariah Advisor has certified that the investments made during the year ended June 30, 2019 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement, presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed in respect of investments made by the Fund for the year ended June 30, 2019.

Chartered Accountants
Dated:
Karachi



SHARIAH REVIEW REPORT ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Prosperity Planning Fund ('AGIPPF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF made Investment during the period from July 1, 2018 to June 30, 2019.

Investment Head	Investment Avenue
<i>Shariah Compliant Funds</i>	<i>Alfalah GHP Islamic Dedicated Equity Fund and Alfalah GHP Islamic Income Fund</i>

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2019, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Atta Ullah
Shariah Advisor

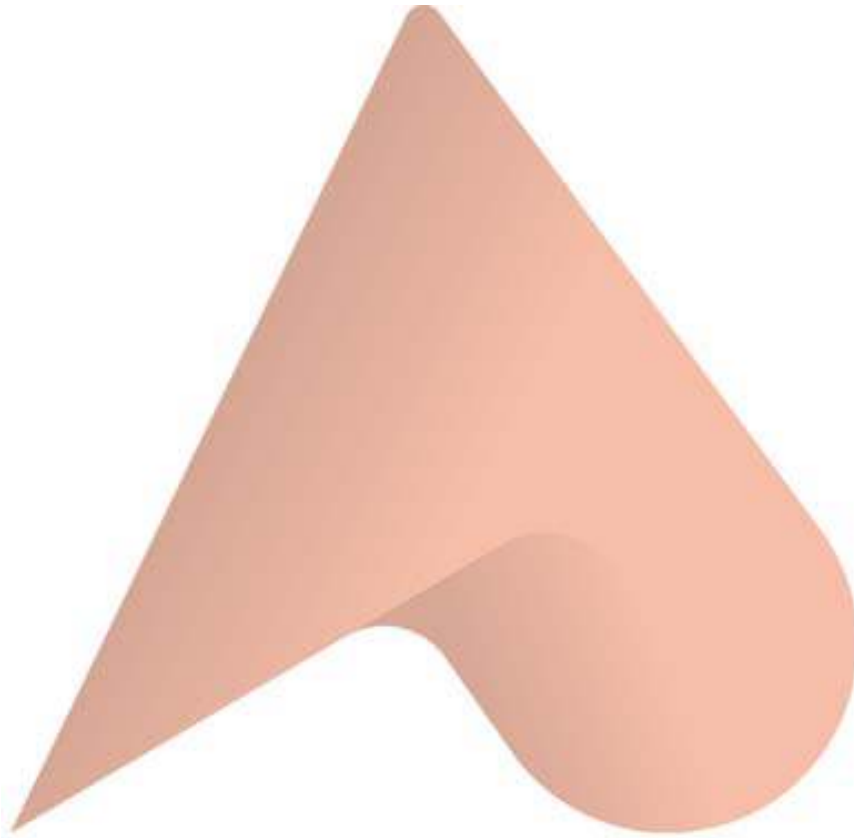
Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Prosperity Planning Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2019. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 25, 2019

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Prosperity Planning Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 1,889.050 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2019

		2019						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		----- (Rupees) -----						
Assets								
Bank balances	4	4,601,461	9,147,772	5,089,424	14,076,201	3,240,361	3,244,196	39,399,415
Investments	5	299,459,239	368,332,603	409,901,165	589,811,116	168,042,629	53,503,579	1,889,050,331
Preliminary expenses and floatation costs	6	-	112,947	-	-	-	-	112,947
Profit receivable on bank balances		559,712	15,079	575,174	38,450	61,623	24,246	1,274,284
Receivable against sale of investments	7	-	-	-	-	5,788,837	-	5,788,837
Other receivable		-	207,550	-	29,020	-	-	236,570
Total assets		304,620,412	377,815,951	415,565,763	603,954,787	177,133,450	56,772,021	1,935,862,384
Liabilities								
Payable to the Management Company	8	589,789	423,489	434,763	433,461	278,110	116,510	2,276,122
Payable to the Trustee	9	68,390	42,639	40,335	34,263	24,370	20,943	230,940
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	390,244	591,757	919,904	662,016	383,528	30,447	2,977,896
Units to be issued against Pre-IPO subscription		-	-	-	-	-	-	-
Payable against Pre-IPO subscription		-	-	-	-	-	-	-
Payable against redemption of units		-	-	-	-	-	-	-
Accrued and other liabilities	11	9,889,115	9,056,573	3,271,781	510,298	2,695,391	727,822	26,150,980
Total liabilities		10,937,538	10,114,458	4,666,783	1,640,038	3,381,399	895,722	31,635,938
Net assets attributable to the unit holders		293,682,874	367,701,493	410,898,980	602,314,749	173,752,051	55,876,299	1,904,226,446
Unit holders' fund (as per the statement attached)		293,682,874	367,701,493	410,898,980	602,314,749	173,752,051	55,876,299	1,904,226,446
Contingencies and commitments								
	12	----- (Number of units) -----						
Number of units in issue		2,991,075	3,703,831	4,533,974	6,478,323	1,734,128	557,750	
		----- (Rupees) -----						
Net asset value per unit		98.1864	99.2760	90.6267	92.9739	100.1956	100.1816	

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2018

2018							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total	
Note ----- (Rupees) -----							
Assets							
Bank balances	4	3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	583,059,064
Investments	5	857,121,899	1,361,063,399	1,733,829,453	977,265,329	-	4,929,280,080
Preliminary expenses and floatation costs	6	-	170,982	-	-	-	170,982
Profit receivable on bank balances		198,703	395,775	490,054	64,179	574,292	1,723,003
Receivable against sale of investments	7	-	-	-	-	-	-
Other receivable		-	207,550	-	-	-	207,550
Total assets		860,402,300	1,382,571,499	1,736,656,514	982,909,169	551,901,197	5,514,440,679
Liabilities							
Payable to the Management Company	8	963,355	1,055,486	908,799	543,381	-	3,471,021
Payable to the Trustee	9	217,917	112,757	95,891	482,670	-	909,235
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	1,092,557	1,810,045	1,412,981	785,901	-	5,101,484
Units to be issued against Pre-IPO subscription		-	-	-	-	551,326,905	551,326,905
Payable against Pre-IPO subscription		-	-	-	-	574,292	574,292
Payable against redemption of units		500,884	-	-	42,088	-	542,972
Accrued and other liabilities	11	7,760,427	10,315,410	3,382,316	314,649	-	21,772,802
Total liabilities		10,535,140	13,293,698	5,799,987	2,168,689	551,901,197	583,698,711
Net assets attributable to the unit holders		849,867,160	1,369,277,801	1,730,856,527	980,740,480	-	4,930,741,968
Unit holders' fund (as per the statement attached)		849,867,160	1,369,277,801	1,730,856,527	980,740,480	-	4,930,741,968
Contingencies and commitments							
	12	----- (Number of units) -----					
Number of units in issue		8,677,033	12,986,621	18,729,733	10,294,456		
----- (Rupees) -----							
Net asset value per unit		97.9444	105.4376	92.4122	95.2688		

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total	
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V		
Note ----- (Rupees) -----								
Income								
Profit on bank balances	774,251	498,181	812,804	708,667	17,733,455	368,569	20,895,927	
Unrealised (loss) / gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(8,538,739)	(10,283,808)	(8,379,624)	(10,289,063)	(1,957,778)	(1,517,442)	(40,966,454)
(Loss) / gain on sale of investments - net		(27,721,574)	(36,525,250)	(87,222,396)	(64,905,857)	(9,397,240)	528,855	(225,243,462)
Dividend income		60,353,253	74,310,490	64,768,093	50,690,930	19,771,405	3,637,818	273,531,989
Other income		-	-	133,977	1,480,716	-	-	1,614,693
Total income / (loss)		24,867,191	27,999,613	(29,887,146)	(22,314,607)	26,149,842	3,017,800	29,832,693
Expenses								
Remuneration of the Management Company	8.1	109,723	82,113	188,237	177,769	2,569,311	50,336	3,177,489
Sindh sales tax on remuneration of the Management Company	8.2	14,263	10,678	24,466	23,110	334,006	6,540	413,063
Remuneration of the Trustee	9.1	429,612	643,581	982,231	703,254	415,645	37,095	3,211,418
Sindh sales tax on remuneration of the Trustee	9.2	55,702	83,664	127,698	91,242	54,036	4,826	417,168
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10	390,244	591,757	919,904	662,016	383,528	30,447	2,977,896
Amortisation of preliminary expenses and floatation costs	6	-	58,035	-	-	-	-	58,035
Shariah advisory fee		51,079	63,889	71,119	104,210	30,266	46,735	367,298
Auditors' remuneration	13	121,138	151,521	168,668	247,144	71,780	23,001	783,252
Annual listing fee		4,224	5,283	13,220	8,617	-	-	31,344
Annual rating fee		28,611	35,787	38,653	58,372	17,307	22,065	200,795
Printing charges		14,390	18,000	13,882	29,360	10,677	11,048	97,357
Bank charges		22,309	760	22,980	28,371	30,226	-	104,646
Allocated expenses	8.3	521,737	791,166	1,226,528	866,176	511,349	40,727	3,957,683
Provision for Sindh Workers' Welfare Fund	11.1	462,084	509,268	-	-	434,449	54,899	1,460,700
Total expenses		2,225,116	3,045,502	3,797,586	2,999,641	4,862,580	327,719	17,258,144
Net income / (loss) for the year / period before taxation		22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Taxation	15	-	-	-	-	-	-	-
Net income / (loss) for the year / period after taxation		22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Allocation of net income for the year / period								
Net income for the year / period after taxation		22,642,075	24,954,111	-	-	21,287,262	2,690,081	71,573,529
Income already paid on units redeemed		(8,743,504)	(13,545,863)	-	-	(14,712,040)	(743,039)	(37,744,446)
Accounting income available for distribution		13,898,571	11,408,248	-	-	6,575,222	1,947,042	33,829,083
- Relating to capital gains		-	-	-	-	-	-	-
- Excluding capital gains		13,898,571	11,408,248	-	-	6,575,222	1,947,042	33,829,083
		13,898,571	11,408,248	-	-	6,575,222	1,947,042	33,829,083

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

For the year / period ended June 30, 2018						Total	
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV			
Note						(Rupees)	
Income							
Profit on bank balances	2,465,829	6,650,389	3,145,334	2,591,562	-	14,853,114	
Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	16,318,515	39,259,640	(48,731,835)	(23,623,690)	-	(16,777,370)
Loss on sale of investments - net		(155,317,507)	(46,412,619)	(122,287,031)	(25,142,562)	-	(349,159,719)
Dividend income		-	-	-	-	-	-
Other income		3,350,227	-	3,194,042	1,341,067	-	7,885,336
Total loss		(133,182,936)	(502,590)	(164,679,490)	(44,833,623)	-	(343,198,639)
Expenses							
Remuneration of the Management Company	8.1	447,736	1,100,792	660,204	706,354	-	2,915,086
Sindh sales tax on remuneration of the Management Company	8.2	58,209	143,033	85,825	91,671	-	378,738
Remuneration of the Trustee	9.1	1,118,906	1,525,315	1,361,542	950,010	-	4,955,773
Sindh sales tax on remuneration of the Trustee	9.2	145,459	198,368	176,999	123,504	-	644,330
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10	1,092,557	1,810,045	1,412,981	785,901	-	5,101,484
Amortisation of preliminary expenses and floatation costs	6	2,225,748	58,035	-	-	-	2,283,783
Shariah advisory fee		58,061	91,668	115,256	65,276	-	330,261
Auditors' remuneration	13	106,264	167,746	210,989	119,499	-	604,498
Annual listing fee		7,977	12,636	15,880	8,978	-	45,471
Annual rating fee		26,309	41,537	52,226	29,578	-	149,650
Printing charges		13,219	20,870	26,265	14,862	-	75,216
Bank charges		95,893	216,013	75,606	38,766	-	426,278
Allocated expenses	8.3	1,463,269	2,413,858	1,883,991	1,047,868	-	6,808,986
Provision for Sindh Workers' Welfare Fund	11.1	-	-	-	-	-	-
Total expenses		6,859,607	7,799,916	6,077,764	3,982,267	-	24,719,554
Net loss for the year / period before taxation		(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)
Taxation	15	-	-	-	-	-	-
Net loss for the year / period after taxation		(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)
Allocation of net income for the year / period							
Net income for the year / period after taxation		-	-	-	-	-	-
Income already paid on units redeemed		-	-	-	-	-	-
Accounting income available for distribution							
- Relating to capital gains		-	-	-	-	-	-
- Excluding capital gains		-	-	-	-	-	-

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	

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

Net income / (loss) for the year / period before taxation	22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Other comprehensive income for the year / period	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year / period	<u>22,642,075</u>	<u>24,954,111</u>	<u>(33,684,732)</u>	<u>(25,314,248)</u>	<u>21,287,262</u>	<u>2,690,081</u>	<u>12,574,549</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

For the year / period ended June 30, 2018					Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	
----- (Rupees) -----					

Net loss for the year / period before taxation	(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)
Other comprehensive income for the year / period	-	-	-	-	-	-
Total comprehensive loss for the year / period	(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Islamic Moderate Allocation Plan			Islamic Balanced Allocation Plan			Islamic Active Allocation Plan II			Islamic Active Allocation Plan III			Islamic Capital Preservation Plan IV			Islamic Capital Preservation Plan V			Total
	For the year ended June 30, 2019			For the year ended June 30, 2019			For the year ended June 30, 2019			For the year ended June 30, 2019			For the year ended June 30, 2019			For the period ended June 30, 2019			
	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Accumulated loss	Total	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Rupees			Rupees			Rupees			Rupees			Rupees			Rupees				
Net assets at the beginning of the year	884,348,894	(34,481,734)	849,867,160	1,213,246,585	156,031,216	1,369,277,801	1,884,166,391	(153,309,864)	1,730,856,527	1,033,728,426	(52,987,946)	980,740,480	-	-	-	-	-	-	4,930,741,968
Issuance of units: 2648,078 units (Islamic Moderate Allocation Plan) 2,181,215 units (Islamic Balanced Allocation Plan), 9,043,285 units (Capital Preservation Plan IV) and 1,058,515 units (Islamic Capital Preservation Plan V) - Capital value (at net asset value per unit at the beginning of the year / period) - Element of income	259,364,411	-	259,364,411	217,145,406	-	217,145,406	-	-	-	-	-	-	904,338,500	-	904,338,500	105,851,500	-	105,851,500	1,486,699,817
Total proceeds on issuance of units	10,150,894	-	10,150,894	1,211,519	-	1,211,519	-	-	-	-	-	-	132,297	-	132,297	7,974	-	7,974	11,502,684
Redemption of units: 8,334,036 units (Islamic Moderate Allocation Plan), 11,464,005 units (Islamic Balanced Allocation Plan), 14,195,759 units (Islamic Active Allocation Plan II) 3,816,133 units (Islamic Active Allocation Plan III), 7,309,257 units (Capital Preservation Plan IV) and 500,765 units (Capital Preservation Plan V) - Capital value (at net asset value per unit at the beginning of the year) - Element of loss / (income)	269,515,305	-	269,515,305	218,356,925	-	218,356,925	-	-	-	-	-	-	904,470,797	-	904,470,797	105,859,474	-	105,859,474	1,498,202,501
Total payments on redemption of units	816,272,156	8,743,504	825,015,660	1,441,270,258	134,135	1,441,404,393	1,311,861,320	(25,588,505)	1,286,272,815	368,836,494	(15,725,011)	353,111,483	730,925,700	14,712,040	745,637,740	50,080,420	743,039	50,823,459	4,419,242,428
Total comprehensive income / (loss) for the year	10,122,424	8,743,504	18,865,928	134,135	13,545,863	26,951,111	1,286,272,815	(25,588,505)	1,260,684,310	353,111,483	(15,725,011)	337,386,472	14,712,040	14,860,080	29,572,020	2,690,081	2,690,081	12,574,549	
Bonus distribution for the year ended June 30, 2018 @ Rs 6.0074 per unit on July 02, 2018 Final distribution for the year ended June 30, 2019 : @ Rs 4.5953 per unit (Islamic Moderate Allocation Plan), @ Rs 3.3133 per unit (Islamic Balanced Allocation Plan), @ Rs 3.7162 per unit (Islamic Capital Preservation Plan IV) and @ Rs 3.4161 per unit (Islamic Capital Preservation Plan V) on June 30, 2019	-	-	-	-	(78,015,824)	(78,015,824)	-	-	-	-	-	-	-	-	-	-	-	-	(78,015,824)
Total distributions during the year	-	(13,203,582)	(13,203,582)	(314,792)	(89,622,296)	(89,937,088)	-	-	-	-	-	-	(7,501)	(6,246,410)	(6,253,911)	(87)	(1,849,710)	(1,849,797)	(111,244,378)
Net assets at the end of the year	327,469,619	(33,786,745)	293,682,874	289,894,325	77,817,168	367,711,493	597,893,576	(186,994,596)	410,898,980	680,616,943	(78,302,194)	602,314,749	173,423,239	328,812	173,752,051	55,778,967	97,332	55,876,299	1,904,226,446
(Accumulated loss) / undistributed income brought forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised income / (loss)	(50,800,249)	-	(50,800,249)	116,771,576	-	116,771,576	(104,578,029)	-	(104,578,029)	(29,364,256)	-	(29,364,256)	-	-	-	-	-	-	-
- Unrealised loss	16,318,515	(34,481,734)	(18,163,219)	39,259,640	156,031,216	195,290,866	(48,731,835)	(153,309,864)	(23,623,690)	(52,987,946)	(23,623,690)	(52,987,946)	-	-	-	-	-	-	-
Accounting income available for distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	13,898,571	-	13,898,571	11,408,248	-	11,408,248	-	-	-	-	-	-	6,575,222	-	6,575,222	-	-	1,947,042	
Net loss for the year after taxation	-	-	-	-	-	-	(33,684,732)	-	(33,684,732)	(25,314,248)	-	(25,314,248)	-	-	-	-	-	-	-
Distribution during the year / period	(13,203,582)	-	(13,203,582)	(89,622,296)	-	(89,622,296)	-	-	-	-	-	-	(6,246,410)	-	(6,246,410)	(87)	(1,849,710)	(1,849,797)	(111,244,378)
(Accumulated loss) / undistributed income carried forward	(33,786,745)	-	(33,786,745)	77,817,168	-	77,817,168	(186,994,596)	-	(186,994,596)	(78,302,194)	-	(78,302,194)	328,812	-	328,812	97,332	-	97,332	97,332
(Accumulated loss) / undistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised income / (loss)	(25,248,006)	-	(25,248,006)	88,100,976	-	88,100,976	(178,614,972)	-	(178,614,972)	(68,013,131)	-	(68,013,131)	2,286,590	-	2,286,590	-	-	1,614,774	
- Unrealised loss	(8,538,739)	(33,786,745)	(42,325,484)	(10,283,808)	-	(10,283,808)	(8,379,624)	-	(8,379,624)	(10,289,063)	-	(10,289,063)	(1,957,778)	-	(1,957,778)	-	-	(1,517,442)	
	(33,786,745)	-	(33,786,745)	77,817,168	-	77,817,168	(186,994,596)	-	(186,994,596)	(78,302,194)	-	(78,302,194)	328,812	-	328,812	97,332	-	97,332	97,332
Net asset value per unit at the beginning of the year	97.9444	-	97.9444	105.4376	-	105.4376	92.4122	-	92.4122	95.2688	-	95.2688	-	-	-	-	-	-	100.1816
Net asset value per unit at the end of the year	96.1864	-	96.1864	99.2760	-	99.2760	90.6267	-	90.6267	92.9739	-	92.9739	100.1956	-	100.1956	-	-	-	100.1816

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Islamic Moderate Allocation Plan For the year ended - June 30, 2018			Islamic Balanced Allocation Plan For the year ended - June 30, 2018			Islamic Active Allocation Plan II For the year ended - June 30, 2018			Islamic Active Allocation Plan III For the year ended - June 30, 2018			Islamic Capital Preservation Plan IV For the period ended - June 30, 2018			Total
	Capital Value	Undistributed income /	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income /	Total	Capital Value	Accumulated loss	Total	Capital Value	Undistributed income	Total	
	Rupees			Rupees			Rupees			Rupees			Rupees			
Net assets at the beginning of the year	1,622,654,515	105,560,809	1,728,215,324	3,358,996,402	164,333,722	3,523,330,124	2,081,309,999	17,447,390	2,098,757,389	1,102,735,212	(4,172,056)	1,098,563,156	-	-	-	8,448,865,993
Issuance of units:																
566,693 units (Active Allocation Plan),																
6,269,647 units (Islamic Balanced Allocation Plan),																
Nil units (Islamic Active Allocation Plan II) and																
583,516 units (Islamic Active Allocation Plan III)																
- Capital value (at net asset value per unit at the beginning of the year / period)	60,361,475	-	60,361,475	657,671,550	-	657,671,550	-	-	-	58,172,402	-	58,172,402	-	-	-	776,205,427
- Element of (loss) / income	(4,353,297)	-	(4,353,297)	(4,627,653)	-	(4,627,653)	-	-	-	(1,656,895)	-	(1,656,895)	-	-	-	(10,637,845)
Total proceeds on issuance of units	56,008,178	-	56,008,178	653,043,897	-	653,043,897	-	-	-	56,515,507	-	56,515,507	-	-	-	765,567,582
Redemption of units:																
8,114,701 units (Active Allocation Plan),																
26,871,283 units (Islamic Balanced Allocation Plan),																
20,83,367 (Islamic Active Allocation Plan II) and																
1,308,527 units (Islamic Active Allocation Plan III)																
- Capital value (at net asset value per unit at the beginning of the year)	864,339,811	-	864,339,811	2,818,735,783	-	2,818,735,783	210,083,187	-	210,083,187	130,450,851	-	130,450,851	-	-	-	4,023,609,632
- Element of income / loss	(70,026,012)	-	(70,026,012)	(19,942,069)	-	(19,942,069)	(12,939,579)	-	(12,939,579)	(4,928,558)	-	(4,928,558)	-	-	-	(107,836,218)
Total payments on redemption of units	794,313,799	-	794,313,799	2,798,793,714	-	2,798,793,714	197,143,608	-	197,143,608	125,522,293	-	125,522,293	-	-	-	3,915,773,414
Total comprehensive income / (loss) for the year	-	(140,042,543)	(140,042,543)	-	(8,302,506)	(8,302,506)	-	(170,757,254)	(170,757,254)	-	(48,815,890)	(48,815,890)	-	-	-	(367,918,193)
Distribution during the year / period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the year less distribution	-	(140,042,543)	(140,042,543)	-	(8,302,506)	(8,302,506)	-	(170,757,254)	(170,757,254)	-	(48,815,890)	(48,815,890)	-	-	-	(367,918,193)
Net assets at the end of the year	884,348,894	(34,481,734)	849,867,160	1,213,246,585	156,031,216	1,369,277,801	1,884,166,391	(153,309,864)	1,730,856,527	1,033,728,426	(52,987,946)	980,740,480	-	-	-	4,930,741,968
Undistributed income / (accumulated loss) brought forward																
- Realised income / (loss)	28,583,597		28,583,597	136,285,812		136,285,812	34,663,482		34,663,482	(703,960)		(703,960)				-
- Unrealised income / (loss)	76,977,212		76,977,212	28,047,910		28,047,910	(17,216,092)		(17,216,092)	(3,468,096)		(3,468,096)				-
	105,560,809		105,560,809	164,333,722		164,333,722	17,447,390		17,447,390	(4,172,056)		(4,172,056)				-
Accounting income available for distribution																
- Relating to capital gains	-		-	-		-	-		-	-		-		-		-
- Excluding capital gains	-		-	-		-	-		-	-		-		-		-
Net loss for the year after taxation	(140,042,543)		(140,042,543)	(8,302,506)		(8,302,506)	(170,757,254)		(170,757,254)	(48,815,890)		(48,815,890)				-
Distribution during the year / period	-		-	-		-	-		-	-		-				-
(Accumulated loss) / undistributed income carried forward	(34,481,734)		(34,481,734)	156,031,216		156,031,216	(153,309,864)		(153,309,864)	(52,987,946)		(52,987,946)				-
(Accumulated loss) / undistributed income carried forward																
- Realised income / (loss)	(50,800,249)		(50,800,249)	116,771,576		116,771,576	(104,578,029)		(104,578,029)	(29,364,256)		(29,364,256)				-
- Unrealised income / (loss)	16,318,515		16,318,515	39,259,640		39,259,640	(48,731,835)		(48,731,835)	(23,623,690)		(23,623,690)				-
	(34,481,734)		(34,481,734)	156,031,216		156,031,216	(153,309,864)		(153,309,864)	(52,987,946)		(52,987,946)				-
Net asset value per unit at the beginning of the year			106.5153			104.8977			100.8383			99.6929				
Net asset value per unit at the end of the year			97.9444			105.4376			92.4122			95.2688				

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30,	Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Note							
(Rupees)							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income / (loss) for the year / period before taxation	22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Adjustments for:							
Amortisation of preliminary expenses and floatation costs	-	58,035	-	-	-	-	58,035
Unrealised loss on revaluation of investments classified as "financial assets at fair value through profit or loss" - net	8,538,739	10,283,808	8,379,624	10,289,063	1,957,778	1,517,442	40,966,454
Provision for Sindh Workers' Welfare Fund	462,084	509,268	-	-	434,449	54,899	1,460,700
	<u>31,642,898</u>	<u>35,805,222</u>	<u>(25,305,108)</u>	<u>(15,025,185)</u>	<u>23,679,489</u>	<u>4,262,422</u>	<u>55,059,738</u>
(Increase) / decrease in assets							
Investments - net	549,123,921	982,446,988	1,315,548,664	377,165,150	(170,000,407)	(55,021,021)	2,999,263,295
Profit receivable on bank balances	(361,009)	380,696	(85,120)	25,729	512,669	(24,246)	448,719
Receivable against sale of investments	-	-	-	-	(5,788,837)	-	(5,788,837)
Other receivable	-	-	-	(29,020)	-	-	(29,020)
	<u>548,762,912</u>	<u>982,827,684</u>	<u>1,315,463,544</u>	<u>377,161,859</u>	<u>(175,276,575)</u>	<u>(55,045,267)</u>	<u>2,993,894,157</u>
(Decrease) / increase in liabilities							
Payable to the Management Company	(373,566)	(631,997)	(474,036)	(109,920)	278,110	116,510	(1,194,899)
Payable to the Trustee	(149,527)	(70,118)	(55,556)	(448,407)	24,370	20,943	(678,295)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(702,313)	(1,218,288)	(493,077)	(123,885)	383,528	30,447	(2,123,588)
Units to be issued against Pre-IPO subscription	-	-	-	-	(551,326,905)	-	(551,326,905)
Payable against Pre-IPO subscription	-	-	-	-	(574,292)	-	(574,292)
Accrued and other liabilities	1,666,604	(1,768,105)	(110,535)	195,649	2,260,942	672,923	2,917,478
	<u>441,198</u>	<u>(3,688,508)</u>	<u>(1,133,204)</u>	<u>(486,563)</u>	<u>(548,954,247)</u>	<u>840,823</u>	<u>(552,980,501)</u>
Net cash generated from / (used in) operating activities	<u>580,847,008</u>	<u>1,014,944,398</u>	<u>1,289,025,232</u>	<u>361,650,111</u>	<u>(700,551,333)</u>	<u>(49,942,022)</u>	<u>2,495,973,394</u>
CASH FLOWS FROM FINANCING ACTIVITIES							
Amount received on issuance of units (net of refund of capital)	269,515,305	140,026,309	-	-	904,463,296	105,859,387	1,419,864,297
Amount paid on redemption of units	(835,638,968)	(1,154,950,256)	(1,286,272,815)	(353,153,571)	(745,752,097)	(50,823,459)	(4,426,591,166)
Dividend paid	(13,203,582)	(11,606,472)	-	-	(6,246,410)	(1,849,710)	(32,906,174)
Net cash (used in) / generated from financing activities	<u>(579,327,245)</u>	<u>(1,026,530,419)</u>	<u>(1,286,272,815)</u>	<u>(353,153,571)</u>	<u>152,464,789</u>	<u>53,186,218</u>	<u>(3,039,633,043)</u>
Net increase / (decrease) in cash and cash equivalents during the year / period	<u>1,519,763</u>	<u>(11,586,021)</u>	<u>2,752,417</u>	<u>8,496,540</u>	<u>(548,086,544)</u>	<u>3,244,196</u>	<u>(543,659,649)</u>
Cash and cash equivalents at beginning of the year / period	3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	-	583,059,064
Cash and cash equivalents at end of the year / period	<u>4,601,461</u>	<u>9,147,772</u>	<u>5,089,424</u>	<u>14,076,201</u>	<u>3,240,361</u>	<u>3,244,196</u>	<u>39,399,415</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	For the year / period ended June 30, 2018					Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	
Note ----- (Rupees) -----						
CASH FLOWS FROM OPERATING ACTIVITIES						
Net loss for the year / period before taxation	(140,042,543)	(8,302,506)	(170,757,254)	(48,815,890)	-	(367,918,193)
Adjustments for:						
Amortisation of preliminary expenses and floatation costs	2,225,748	58,035	-	-	-	2,283,783
Unrealised (gain) / loss on revaluation of investments classified as "financial assets at fair value through profit or loss" - net	(16,318,515)	(39,259,640)	48,731,835	23,623,690	-	16,777,370
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-
	(154,135,310)	(47,504,111)	(122,025,419)	(25,192,200)	-	(348,857,040)
(Increase) / decrease in assets						
Investments - net	808,017,980	95,332,505	216,787,063	(204,357,115)	-	915,780,433
Profit receivable on bank balances	1,656,319	4,864,787	600,751	1,029,690	(574,292)	7,577,255
Receivable against sale of investments	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-
	809,674,299	100,197,292	217,387,814	(203,327,425)	(574,292)	923,357,688
(Decrease) / increase in liabilities						
Payable to the Management Company	(436,228)	(2,060,982)	(332,793)	242,722	-	(2,587,281)
Payable to the Trustee	(138,915)	(574,681)	(104,653)	451,972	-	(366,277)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(185,031)	(357,264)	357,104	765,526	-	580,335
Units to be issued against Pre-IPO subscription	-	-	-	-	551,326,905	551,326,905
Payable against Pre-IPO subscription	-	-	-	-	574,292	574,292
Accrued and other liabilities	(11,964,202)	(16,925,794)	(16,450,629)	(19,241,138)	-	(64,581,763)
	(12,223,492)	(19,918,721)	(16,530,971)	(17,738,830)	551,901,197	484,946,211
Net cash generated from / (used in) operating activities	643,315,497	32,774,460	78,831,424	(246,258,455)	551,326,905	1,059,446,859
CASH FLOWS FROM FINANCING ACTIVITIES						
Amount received on issuance of units	56,008,178	653,043,897	-	56,515,507	-	765,567,582
Amount paid on redemption of units	(793,812,915)	(2,798,793,714)	(197,143,608)	(125,480,205)	-	(3,915,230,442)
Dividend paid	-	-	-	-	-	-
Net cash (used in) / generated from financing activities	(738,305,621)	(2,145,749,817)	(197,143,608)	(69,006,786)	-	(3,149,662,860)
Net increase / (decrease) in cash and cash equivalents during the year / period	(94,990,124)	(2,112,975,357)	(118,312,184)	(315,265,241)	551,326,905	(2,090,216,001)
Cash and cash equivalents at beginning of the year / period	98,071,822	2,133,709,150	120,649,191	320,844,902	-	2,673,275,065
Cash and cash equivalents at end of the year / period	4 3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	583,059,064

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on March 15, 2016 between Alfalah GHP Investment Management Limited (Management Company), a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Fund was registered by the Securities and Exchange Commission of Pakistan (the SECP) as a Notified Entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/AGIML/437/2016 dated April 25, 2016 and the Offering Document of the Fund was approved by the SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/AGIPPF/449/2016 dated May 02, 2016.

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

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

According to the Trust Deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. The Fund invests in units of other mutual funds, bank deposits. The investment objectives and policy are explained in the Fund's offering document. Presently, the Fund offers following allocation plans:

- a. Alfalah GHP Islamic *Moderate Allocation Plan (MAP): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- b. Alfalah GHP Islamic Balanced Allocation Plan (BAP) is perpetual.
- c. Alfalah GHP Islamic Active Allocation Plan II (AAP II): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- d. Alfalah GHP Islamic Active Allocation Plan III (AAP III): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- e. Alfalah Islamic Capital Preservation Plan IV (CPP IV): The initial maturity of plan was twenty four (24) months from the close of subscription period. However the duration of the plan has been changed to perpetual.
- f. Alfalah Islamic Capital Preservation Plan V (CPP V): The initial maturity of plan was twenty four (24) months from the close of subscription period. However the duration of the plan has been changed to perpetual.

* The management has renamed Alfalah GHP Islamic Active Allocation Plan to Alfalah GHP Islamic Moderate Allocation Plan.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

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

During the year ended June 30, 2019, a new plan namely Alfalah Islamic Capital Preservation Plan V (CCP V - the Plan) was introduced. The necessary changes in the Offering Document of the Fund were incorporated vide amendment through 6th Supplemental Offering Document approved by the SECP vide letter No. SCD/AMCW/AGIML/117/2018 dated October 02, 2018. Pre-Initial Public Offer (the Pre-IPO) period of the Plan started from the date of approval of 6th Supplemental Offering Document i.e. October 2, 2018 and continued till Initial Public Offer (the IPO) date which was December 14, 2018.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. IFRS 9 has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as 'fair value through profit or loss' (FVTPL). The investment of an entity in a mutual fund is required to be classified as "at fair value through profit or loss" based on criteria mentioned in IFRS 9. The Fund has all its investments in mutual funds which were previously also classified under "fair value through profit or loss" category. Furthermore, all other financial assets of the Fund which are held for collection continue to be measured at amortised cost.

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.3)
- Taxation (notes 3.7 and 15)

2.5 Accounting convention

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2 above.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily classified as 'financial asset at fair value through profit or loss' under the criteria specified in IFRS 9.

3.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.3.3 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price of each allocation plan, determined by the Management Company for the applications received by the distributors during business hours of the day when the applications are received. The offer price of each allocation plan represents the net assets value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributor and the Management Company.

Units redeemed are recorded at the redemption price of each allocation plan prevalent on the date on which the distributors receive redemption application during business hours on that date. The redemption price represents the net assets value (NAV) per unit as of close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of such plan by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank deposits is recognized on an accrual basis.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.15 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES

		2019						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		(Rupees)						
Deposit accounts	4.1	4,601,461	9,147,772	5,089,424	14,076,201	3,240,361	3,244,196	39,399,415

		2018					
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total
Note		(Rupees)					
Deposit accounts	4.1	3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	583,059,064

- 4.1 These represent balances in saving accounts maintained with banks carrying profit rates ranging from 4.75% to 12.50% (2018: 5.30% to 6.50%) per annum. These include Rs 22.82 million (2018: Rs 567.66 million) placed with Bank Alfalah Limited (a related party).

5 INVESTMENTS

2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

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

At fair value through profit or loss

Open end mutual funds - quoted	5.1	299,459,239	368,332,603	409,901,165	589,811,116	168,042,629	53,503,579	1,889,050,331
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2018					
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total

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

At fair value through profit or loss

Open end mutual funds - quoted	5.1	857,121,899	1,361,063,399	1,733,829,453	977,265,329	-	4,929,280,080
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5.1 Open end mutual funds - quoted - 'at fair value through profit or loss'

Islamic Moderate Allocation Plan

Particulars	As at July 01, 2018	Purchased during the year	Redeemed during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets of the Fund	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----					
Alfalah GHP Islamic Income Fund *	8,124,917	1,097,983	6,284,193	2,938,707	307,997,978	299,459,239	(8,538,739)	101.97%	100.00%
Alfalah GHP Islamic Stock Fund *	-	-	-	-	-	-	-	-	-
Alfalah GHP Islamic Dedicated Equity Fund *	-	1,277,143	1,277,143	-	-	-	-	-	-
Total as at June 30, 2019					<u>307,997,978</u>	<u>299,459,239</u>	<u>(8,538,739)</u>	<u>101.97%</u>	<u>100.00%</u>
Total as at June 30, 2018					<u>840,803,905</u>	<u>857,121,899</u>	<u>16,317,994</u>		

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

Islamic Balanced Allocation Plan

Particulars	As at July 01, 2018	Purchased during the year	Redeemed during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets of the Fund	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----					
Alfalah GHP Islamic Income Fund *	10,738,571	1,931,505	9,171,269	3,498,807	365,838,827	356,534,381	(9,304,446)	96.96%	96.80%
Alfalah GHP Islamic Stock Fund *	486,246	119,149	605,395	-	-	-	-	0.00%	0.00%
Alfalah GHP Islamic Dedicated Equity Fund *	2,333,543	420,848	2,571,409	182,982	12,777,584	11,798,222	(979,362)	3.21%	3.20%
Total as at June 30, 2019					<u>378,616,411</u>	<u>368,332,603</u>	<u>(10,283,808)</u>	<u>100.17%</u>	<u>100.00%</u>
Total as at June 30, 2018					<u>1,321,802,996</u>	<u>1,361,063,399</u>	<u>39,260,403</u>		

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

Islamic Active Allocation Plan II

Particulars	As at July 01, 2018	Purchased during the year	Redeemed during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets of the Fund	Total market value of investments
				(No. of Units)	(Rupees)		(%)		
Alfalah GHP Islamic Income Fund *	5,166,375	13,603,297	14,924,716	3,844,956	398,687,907	391,807,553	(6,880,354)	95.35%	95.59%
Alfalah GHP Islamic Stock Fund *	5,779,298	1,416,120	7,195,418	-	-	-	-	0.00%	0.00%
Alfalah GHP Islamic Dedicated Equity Fund *	9,770,477	8,883,753	18,373,611	280,619	19,592,882	18,093,612	(1,499,270)	4.40%	4.41%
Total as at June 30, 2019					418,280,789	409,901,165	(8,379,624)	99.75%	100.00%
Total as at June 30, 2018					1,782,561,289	1,733,829,453	(48,731,836)		

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

Islamic Active Allocation Plan III

Particulars	As at July 01, 2018	Purchased during the year	Redeemed during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets of the Fund	Total market value of investments
				(No. of Units)	(Rupees)		(%)		
Alfalah GHP Islamic Income Fund *	3,423,816	8,506,027	6,141,803	5,788,040	600,100,179	589,811,116	(10,289,063)	97.92%	100.00%
Alfalah GHP Islamic Dedicated Equity Fund *	7,263,720	4,318,516	11,582,236	-	-	-	-	0.00%	0.00%
Total as at June 30, 2019					600,100,179	589,811,116	(10,289,063)	97.92%	100.00%
Total as at June 30, 2018					1,000,889,260	977,265,329	(23,623,931)		

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

Islamic Capital Preservation Plan IV

Particulars	As at July 01, 2018	Purchased during the year	Redeemed during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets of the Fund	Total market value of investments
				(No. of Units)	(Rupees)		(%)		
Alfalah GHP Islamic Income Fund *	-	6,004,203	4,355,137	1,649,066	170,000,407	168,042,629	(1,957,778)	96.71%	100.00%
Alfalah GHP Islamic Dedicated Equity Fund *	-	1,192,485	1,192,485	-	-	-	-	0.00%	0.00%
Total as at June 30, 2019					170,000,407	168,042,629	(1,957,778)	96.71%	100.00%
Total as at June 30, 2018					-	-	-		

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

Islamic Capital Preservation Plan V

Particulars	As at July 01, 2018	Purchased during the year	Redeemed during the year	As at June 30, 2019	Carrying value as at June 30, 2019	Market value as at June 30, 2019	Unrealised gain / (loss)	Market value as a percentage of:	
								Net assets of the Fund	Total market value of investments
				(No. of Units)	(Rupees)		(%)		
Alfalah GHP Islamic Income Fund *	-	1,306,832	781,780	525,052	55,021,021	53,503,579	(1,517,442)	95.75%	100.00%
Alfalah GHP Islamic Dedicated Equity Fund *	-	93,680	93,680	-	-	-	-	-	-
Total as at June 30, 2019					55,021,021	53,503,579	(1,517,442)	95.75%	100.00%
Total as at June 30, 2018					-	-	-		

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

5.2 Unrealised (loss) / gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

2019								
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
Note ----- (Rupees) -----								
Market value of investments as at June 30	5.1	299,459,239	368,332,603	409,901,165	589,811,116	168,042,629	53,503,579	1,889,050,331
Less: Carrying value of investments as at June 30	5.1	(307,997,978)	(378,616,411)	(418,280,789)	(600,100,179)	(170,000,407)	(55,021,021)	(1,930,016,785)
		<u>(8,538,739)</u>	<u>(10,283,808)</u>	<u>(8,379,624)</u>	<u>(10,289,063)</u>	<u>(1,957,778)</u>	<u>(1,517,442)</u>	<u>(40,966,454)</u>

2018							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV		Total
Note ----- (Rupees) -----							
Market value of investments as at June 30	5.1	857,121,899	1,361,063,399	1,733,829,453	977,265,329	-	4,929,280,080
Less: Carrying value of investments as at June 30	5.1	(840,803,905)	(1,321,802,996)	(1,782,561,289)	(1,000,889,260)	-	(4,946,057,450)
		<u>16,317,994</u>	<u>39,260,403</u>	<u>(48,731,836)</u>	<u>(23,623,931)</u>	<u>-</u>	<u>(16,777,370)</u>

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

2019							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
(Rupees) -----							
As at July 1	-	170,982	-	-	-	-	170,982
Preliminary and floatation cost incurred	-	-	-	-	-	-	-
Amortised during the year / period	-	(58,035)	-	-	-	-	(58,035)
As at June 30	-	<u>112,947</u>	-	-	-	-	<u>112,947</u>

2018							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV		Total
(Rupees) -----							
As at July 1		2,225,748	229,017	-	-	-	2,454,765
Preliminary and floatation cost incurred		-	-	-	-	-	-
Amortised during the year / period		(2,225,748)	(58,035)	-	-	-	(2,283,783)
As at June 30		<u>-</u>	<u>170,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,982</u>

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years or within maturity of the Fund whichever is lower, effective from June 11, 2016, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the allocation plans according to the ratios of their Pre IPO investments.

7 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents receivable against redemption of units of open ended mutual fund of Alfalah GHP Islamic Dedicated Equity Fund (a related party). This amount has been received subsequent to the year ended June 30, 2019.

8 PAYABLE TO THE MANAGEMENT COMPANY

2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note (Rupees)

Management remuneration payable	8.1	87,226	49,492	32,193	13,216	12,304	35,967	230,398
Sindh sales tax payable on management remuneration	8.2	23,788	17,458	2,720	1,718	1,686	4,672	52,042
Payable against allocated expenses	8.3	209,499	238,085	399,850	418,527	214,120	35,871	1,515,952
Federal excise duty payable on management remuneration	8.4	83,821	83,234	-	-	-	-	167,055
Formation cost payable		-	-	-	-	50,000	40,000	90,000
Sales load payable		185,455	35,220	-	-	-	-	220,675
		<u>589,789</u>	<u>423,489</u>	<u>434,763</u>	<u>433,461</u>	<u>278,110</u>	<u>116,510</u>	<u>2,276,122</u>

2018					
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total

Note (Rupees)

Management remuneration payable	8.1	3,972	18,174	-	5,043	-	27,189
Sindh sales tax payable on management remuneration	8.2	11,781	13,949	-	77	-	25,807
Payable against allocated expenses	8.3	678,326	904,909	908,799	537,838	-	3,029,872
Federal excise duty payable on management remuneration	8.4	83,821	83,234	-	-	-	167,055
Sales load payable		185,455	35,220	-	423	-	221,098
		<u>963,355</u>	<u>1,055,486</u>	<u>908,799</u>	<u>543,381</u>	<u>-</u>	<u>3,471,021</u>

- 8.1 The Management Company has charged remuneration at a rate of 1.25% (2018: 1.25%) of the average annual net assets of the Fund during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2 During the current year / period, an amount of Rs 0.413 million (2018: Rs 0.379 million) was charged on account of sales tax on management remuneration levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.387 million (2018: Rs 0.574 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 8.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.08 million (2018: 0.08 million) and Rs 0.08 million (2018: 0.08 million) for Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit would have been higher by Re 0.03 (2018: Re 0.01) per unit and Re 0.02 (2018: Re 0.006) in respect of Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan respectively.

9 PAYABLE TO THE TRUSTEE

		2019						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		(Rupees)						
Trustee remuneration payable	9.1	51,732	35,717	35,695	30,479	21,565	18,534	193,722
Sindh sales tax payable on Trustee remuneration	9.2	16,658	6,922	4,640	3,784	2,805	2,409	37,218
		<u>68,390</u>	<u>42,639</u>	<u>40,335</u>	<u>34,263</u>	<u>24,370</u>	<u>20,943</u>	<u>230,940</u>

		2018					
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total
Note		(Rupees)					
Trustee remuneration payable	9.1	192,843	98,215	84,858	427,140	-	803,056
Sindh sales tax payable on Trustee remuneration	9.2	25,074	14,542	11,033	55,530	-	106,179
		<u>217,917</u>	<u>112,757</u>	<u>95,891</u>	<u>482,670</u>	<u>-</u>	<u>909,235</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 assets	Tariff per annum
Up to Rs 1 billion	0.10% per annum of net assets
Over Rs 1 billion	Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1 billion

- 9.2 During the current year / period, an amount of Rs 0.417 million (2018: 0.644 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.486 million (2018: Rs 0.644 million) was paid to the Trustee which acts as a collecting agent.

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

In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as a Shariah Compliant Fund of Funds Scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.075% of the average annual net assets of the Fund as annual fee.

11 ACCRUED AND OTHER LIABILITIES

		2019						
	Note	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
(Rupees)								
Provision for Sindh Workers'								
Welfare Fund	11.1	5,199,037	5,637,900	3,002,126	-	434,449	54,935	14,328,447
Printing charges payable		79,241	109,307	62,982	33,592	8,907	11,048	305,077
Auditors' remuneration payable		9,940	42,483	24,030	79,657	46,464	23,001	225,575
Withholding and capital gain tax payable		1,743,952	2,761,799	503	158,337	2,157,301	193,947	7,015,839
Listing fee payable		40,310	63,237	8,805	8,888	-	-	121,240
Rating fee payable		92,105	142,727	38,016	89,158	17,705	16,620	396,331
Shariah advisory fee payable		76,620	112,244	135,319	140,666	30,565	46,735	542,149
Sales load payable		2,647,910	186,876	-	-	-	381,536	3,216,322
		9,889,115	9,056,573	3,271,781	510,298	2,695,391	727,822	26,150,980

		2018					
	Note	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Total
(Rupees)							
Provision for Sindh Workers'							
Welfare Fund	11.1	4,736,953	5,128,632	3,002,126	-	-	12,867,711
Printing charges payable		68,336	96,612	56,222	10,553	-	231,723
Auditors' remuneration payable		55,683	94,203	101,752	72,764	-	324,402
Withholding and capital gain tax payable		115,897	4,213,858	503	127,474	-	4,457,732
Listing fee payable		40,820	65,591	27,499	5,737	-	139,647
Rating fee payable		63,519	106,965	118,798	30,811	-	320,093
Shariah advisory fee payable		25,541	112,144	75,416	67,310	-	280,411
Sales load payable		2,653,678	497,405	-	-	-	3,151,083
		7,760,427	10,315,410	3,382,316	314,649	-	21,772,802

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from June 11, 2016 - representing date of commencement of fund).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the plans as at June 30, 2019 would have been higher by Rs. 1.74 (2018: Re 0.55) per unit, Rs 1.52 (2018: Re 0.39) per unit, Re 0.66 (2018: Re 0.16) per unit, Re 0.25 (2018: Nil) per unit and Re 0.10 (2018: Nil) per unit in respect of Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

13 AUDITORS' REMUNERATION

	For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
	(Rupees)						
Audit fee	52,350	77,244	96,720	105,560	36,702	12,472	381,048
Review and other certifications	46,727	43,639	35,274	96,887	20,585	5,707	248,819
Sindh sales tax	8,973	11,224	12,494	18,307	5,317	1,704	58,019
Out of pocket expenses	13,088	19,414	24,180	26,390	9,176	3,118	95,366
	121,138	151,521	168,668	247,144	71,780	23,001	783,252

	For the year / period ended June 30, 2018					Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	
	(Rupees)					
Audit fee	49,824	77,244	96,720	54,759	-	278,547
Review and other certifications	36,404	58,653	74,142	42,010	-	211,209
Sindh sales tax	7,718	12,435	15,718	8,906	-	44,777
Out of pocket expenses	12,318	19,414	24,409	13,824	-	69,965
	106,264	167,746	210,989	119,499	-	604,498

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the plans as at June 30, 2019 is 0.43%, 0.38%, 0.31%, 0.34%, 0.92% and 0.44% in respect of Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively which includes 0.25%, 0.23%, 0.22%, 0.25%, 0.69% and 0.31% representing government levies on the plans such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Shariah Compliant Fund of Funds scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the year, the Management Company has distributed the income earned by Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V for the year / period to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements. Islamic Active Allocation Plan II and Islamic Active Allocation Plan III have incurred a loss during the year, accordingly, no provision for taxation has been made in these financial statements for those plans.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on Funds as per Income Tax Ordinance, 2001.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

Remunerations to the Management Company and the Trustee of the Fund are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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

16.1 Unit holders' fund

		2019									
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed/ conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
Note	(Number of units)					(Rupees)					
- Islamic Moderate Allocation Plan											
Unit holder holding 10% or more units											
	16.1.1	926,144	-	-	926,144	-	90,710,618	-	-	91,008,075	-
	16.1.1	1,287,188	-	52,712	-	1,339,900	126,072,856	-	5,175,637	-	131,559,957
- Islamic Islamic Balanced Allocation Plan											
Key management personnel											
	16.1.1	103	-	9	-	112	10,860	-	931	-	11,119
Unit holder holding 10% or more units											
	16.1.1	515,575	-	49,397	-	564,972	54,360,991	-	4,908,734	-	56,088,160
- Islamic Islamic Active Allocation Plan II											
Associate											
	16.1.1	1,500,000	-	-	-	1,500,000	138,618,300	-	-	-	135,940,050
Unit holder holding 10% or more units											
	16.1.1	3,014,096	-	-	3,014,096	-	278,539,242	-	-	268,654,500	-
- Islamic Islamic Active Allocation Plan III											
Associate											
	16.1.1	500,000	-	-	-	500,000	47,634,400	-	-	-	46,486,950
Unit holder holding 10% or more units											
	16.1.1	1,107,673	-	-	-	1,107,673	105,526,678	-	-	-	102,984,679
	16.1.1	1,119,523	-	-	-	1,119,523	106,655,613	-	-	-	104,086,419
	16.1.1	989,648	-	-	-	989,648	94,282,577	-	-	-	92,011,434
- Islamic Islamic Capital Preservation Plan IV											
Unit holder holding 10% or more units											
	16.1.1	200,000	218	7,426	-	207,644	20,000,000	21,791	744,050	-	20,805,015
- Islamic Islamic Capital Preservation Plan V											
Unit holder holding 10% or more units											
	16.1.1	-	196,145	5,852	-	201,997	-	19,614,508	586,295	-	20,236,383
	16.1.1	-	128,258	4,373	-	132,631	-	12,825,765	438,141	-	13,287,186
	16.1.1	-	100,000	3,410	-	103,410	-	10,000,000	341,610	-	10,359,779

2018									
As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018
(Number of units)					(Rupees)				

- Islamic Moderate Allocation Plan

Unit holder holding 10% or more units

Pakistan Rangers (Punjab) Private Fund	926,144	-	-	926,144	98,648,506	-	-	-	90,710,618
Mian Muhammad Afzal	1,287,188	-	-	1,287,188	137,105,216	-	-	-	126,072,856

- Islamic Islamic Balanced Allocation Plan

Key management personnel

Head of Operation	-	103	-	103	-	10,806	-	-	10,860
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- Islamic Islamic Active Allocation Plan II

Associate

Bank Alfalah Limited - Employees Gratuity Fund	1,500,000	-	-	1,500,000	151,257,450	-	-	-	138,618,300
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Unit holder holding 10% or more units

SSG Executive Staff Provident Fund	3,014,096	-	-	3,014,096	303,936,317	-	-	-	278,539,242
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- Islamic Islamic Active Allocation Plan III

Associate

Bank Alfalah Limited - Employees Gratuity Fund	500,000	-	-	500,000	49,846,450	-	-	-	47,634,400
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Unit holder holding 10% or more units

Pakistan Rangers (Punjab) Private Fund	1,107,673	-	-	1,107,673	110,427,134	-	-	-	105,526,678
Balochistan University of Engineering and Technology	1,119,523	-	-	1,119,523	111,608,494	-	-	-	106,655,613

16.1.1 This reflects the position of related party / connected person status as at June 30, 2019.

16.2 Other transactions

For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	

(Rupees)

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	109,723	82,113	188,237	177,769	2,569,311	50,336	3,177,489
Sindh sales tax on remuneration of the Management Company	14,263	10,678	24,466	23,110	334,006	6,540	413,063
Allocated expenses	521,737	791,166	1,226,528	866,176	511,349	40,727	3,957,683
Sales load	-	335,135	-	-	-	-	335,135

Bank Alfalah Limited

Profit on bank balances	138,987	227,401	143,940	168,433	1,616,969	46,422	2,342,152
Bank charges	31	-	1,285	2,550	9,122	-	12,988
Sales load	-	-	-	-	-	-	-

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	429,612	643,581	982,231	703,254	415,645	37,095	3,211,418
Sindh sales tax on remuneration of the Trustee	55,702	83,664	127,698	91,242	54,036	4,826	417,168

For the year / period ended June 30, 2018					Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	

(Rupees)

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	447,736	1,100,792	660,204	706,354	-	2,915,086
Sindh sales tax on remuneration of the Management Company	58,209	143,033	85,825	91,671	-	378,738
Allocated expenses	1,463,269	2,413,858	1,883,991	1,047,868	-	6,808,986
Sales load	-	335,135	-	-	-	335,135

Bank Alfalah Limited

Profit on bank balances	214,078	677,006	62,819	296,842	574,292	1,825,037
Bank charges	2,071	1,825	903	2,234	-	7,033
Sales load	-	14,702,424	-	-	-	14,702,424

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	1,118,906	1,525,315	1,361,542	950,010	-	4,955,773
Sindh sales tax on remuneration of the Trustee	145,459	198,368	176,999	123,504	-	644,330

16.3 Other balances

2019						Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	

(Rupees)

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	87,226	49,492	32,193	13,216	12,304	35,967	230,398
Sindh sales tax payable on management remuneration	23,788	17,458	2,720	1,718	1,686	4,672	52,042
Payable against allocated expenses	209,499	238,085	399,850	418,527	214,120	35,871	1,515,952
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Formation cost payable	-	-	-	-	50,000	40,000	90,000
Sales load payable	185,455	35,220	-	-	-	-	220,675

Bank Alfalah Limited

Bank balances	1,299,111	6,083,249	3,669,469	7,630,367	2,653,849	1,488,685	22,824,730
Profit receivable	40,345	11,020	405,080	-	2,755	20,365	479,565
Sales load payable	-	-	-	-	-	-	-

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	51,732	35,717	35,695	30,479	21,565	18,534	193,722
Sindh sales tax payable on Trustee remuneration	16,658	6,922	4,640	3,784	2,805	2,409	37,218

	2018					Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	
(Rupees)						
Associated companies / undertakings						
Alfalah GHP Investment Management Limited - Management Company						
Management remuneration payable	3,972	18,174	-	5,043	-	27,189
Sindh sales tax payable on management remuneration	11,781	13,949	-	77	-	25,807
Payable against allocated expenses	678,326	904,909	908,799	537,838	-	3,029,872
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	167,055
Formation cost payable	-	-	-	-	-	-
Formation cost payable	-	-	-	-	-	-
Sales load payable	185,455	35,220	-	423	-	221,098
Others	-	-	-	-	-	-
Bank Alfalah Limited						
Bank balances	1,369,355	14,145,980	785,970	36,618	551,326,905	567,664,828
Profit receivable	138,726	133,661	367,537	8,853	574,292	1,223,069
Sales load payable	2,653,678	497,405	-	-	-	3,151,083
Other related parties						
Central Depository Company of Pakistan Limited - Trustee						
Trustee remuneration payable	192,843	98,215	84,858	427,140	-	803,056
Sindh sales tax payable on Trustee remuneration	25,074	14,542	11,033	55,530	-	106,179

17 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019			2018		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
(Rupees)						
Financial assets						
Bank balances	39,399,415	-	39,399,415	583,059,064	-	583,059,064
Investments	-	1,889,050,331	1,889,050,331	-	4,929,280,080	4,929,280,080
Profit receivable on bank balances	1,274,284	-	1,274,284	1,723,003	-	1,723,003
Receivable against sale of investments	5,788,837	-	5,788,837	-	-	-
	<u>46,462,536</u>	<u>1,889,050,331</u>	<u>1,935,512,867</u>	<u>584,782,067</u>	<u>4,929,280,080</u>	<u>5,514,062,147</u>

Particulars	2019		2018	
	At amortised cost	Total	At amortised cost	Total
(Rupees)				
Financial liabilities				
Payable to the Management Company	2,276,122	2,276,122	3,471,021	3,471,021
Payable to the Trustee	230,940	230,940	909,235	909,235
Units to be issued against Pre-IPO subscription	-	-	551,326,905	551,326,905
Payable against Pre-IPO subscription	-	-	574,292	574,292
Payable against redemption of units	-	-	542,972	542,972
Accrued and other liabilities	4,806,694	4,806,694	4,447,359	4,447,359
	<u>7,313,756</u>	<u>7,313,756</u>	<u>561,271,784</u>	<u>561,271,784</u>

18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, profit rate risk and price risk.

18.1.1 Currency risk

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

18.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

	Note	2019	2018
-----Rupees-----			
Variable rate instruments (financial assets)			
Bank balances	4	<u>39,399,415</u>	<u>583,059,064</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.013 million (2018: Rs 0.02 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Not exposed to yield / interest rate risk	Total
	Profit yield / profit rate	Exposed to yield / profit risk					
		Upto three months	More than three months and up to one year	More than one year			
(Rupees)							
On-balance sheet financial instruments							
Financial assets							
Bank balances	4.75% to 12.50%	39,399,415	-	-	-	39,399,415	
Investments		-	-	-	1,889,050,331	1,889,050,331	
Profit receivable on bank balances		-	-	-	1,274,284	1,274,284	
Receivable against sale of investments		-	-	-	5,788,837	5,788,837	
Sub total		<u>39,399,415</u>	<u>-</u>	<u>-</u>	<u>1,896,113,452</u>	<u>1,935,512,867</u>	
Financial liabilities							
Payable to the Management Company		-	-	-	2,276,122	2,276,122	
Payable to the Trustee		-	-	-	230,940	230,940	
Units to be issued against Pre-IPO subscription		-	-	-	-	-	
Payable against Pre-IPO subscription		-	-	-	-	-	
Payable against redemption of units		-	-	-	-	-	
Accrued and other liabilities		-	-	-	4,806,694	4,806,694	
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>7,313,756</u>	<u>7,313,756</u>	
On-balance sheet gap		<u>39,399,415</u>	<u>-</u>	<u>-</u>	<u>1,888,799,696</u>	<u>1,928,199,111</u>	
Total profit rate sensitivity gap		<u>39,399,415</u>	<u>-</u>	<u>-</u>	<u>1,888,799,696</u>	<u>1,928,199,111</u>	
Cumulative profit rate sensitivity gap		<u>39,399,415</u>	<u>39,399,415</u>	<u>39,399,415</u>			

2018					
Effective yield / interest rate	Exposed to yield / profit risk			Not exposed to yield / interest rate risk	Total
	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	4%-6.6%	583,059,064	-	-	-	583,059,064
Investments		-	-	-	4,929,280,080	4,929,280,080
Profit receivable on bank balances		-	-	-	1,723,003	1,723,003
Receivable against sale of investments		-	-	-	-	-
Sub total		583,059,064	-	-	4,931,003,083	5,514,062,147

Financial liabilities

Payable to the Management Company		-	-	-	3,471,021	3,471,021
Payable to the Trustee		-	-	-	909,235	909,235
Units to be issued against Pre-IPO subscription		-	-	-	551,326,905	551,326,905
Payable against Pre-IPO subscription		-	-	-	574,292	574,292
Payable against redemption of units		-	-	-	542,972	542,972
Accrued and other liabilities		-	-	-	4,447,359	4,447,359
Sub total		-	-	-	561,271,784	561,271,784

On-balance sheet gap

	583,059,064	-	-	4,369,731,299	4,952,790,363
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Total profit rate sensitivity gap

	583,059,064	-	-	4,369,731,299	4,952,790,363
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Cumulative profit rate sensitivity gap

	583,059,064	583,059,064	583,059,064
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18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to price risk arising from the Fund investments in open end mutual funds. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the price movements as at June 30, 2019. The analysis is based on the assumption that prices increase and decrease by 5%, with all other variables held constant.

At June 30, 2019, the fair value of open end mutual funds exposed to price risk was disclosed in note 5.1.

	2019	2018
	-----Rupees-----	
<i>Effect due to increase / decrease of 5 %</i>		
Investment and net assets	94,452,517	246,464,004
Income statement	94,452,517	246,464,004

18.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	39,399,415	39,399,415	583,059,064	583,059,064
Investments	1,889,050,331	1,889,050,331	4,929,280,080	4,929,280,080
Profit receivable on bank balances	1,274,284	1,274,284	1,723,003	1,723,003
Receivable against sale of investments	5,788,837	5,788,837	-	-
	<u>1,935,512,867</u>	<u>1,935,512,867</u>	<u>5,514,062,147</u>	<u>5,514,062,147</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 1,889.05 million (2018: Rs 4,929.28 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2019 and June 30, 2018.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Name of bank	Rating agency	Rating	2019		2018	
			Rupees	Percentage of total bank balance	Rupees	Percentage of total bank balance
Bank Alfalah Limited	PACRA	AA+/A1+	22,824,730	57.93%	16,337,923	50.61%
BankIslami Pakistan Limited	PACRA	A+/A-1	11,644,236	29.55%	9,383,347	29.06%
Dubai Islamic Bank Limited	JCR - VIS	AA/A1+	237,487	0.60%	200,140	0.62%
Meezan Bank Limited	JCR - VIS	AAA/A1+	40,000	0.10%	-	0.00%
National Bank of Pakistan	JCR - VIS	AA-/A1+	4,493,661	11.41%	6,323,337	19.59%
Silk Bank Limited	JCR - VIS	A-/A-2	10,000	0.03%	-	0.00%
Soneri Bank Limited	PACRA	AA-/A1+	149,301	0.38%	40,000	0.12%
			<u>39,399,415</u>	<u>100.00%</u>	<u>32,284,747</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

18.2.3 Open end mutual funds

The Fund had investments at June 30, 2019 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating agency	Rating	2019	2018
			Percentage of total balance	Percentage of total balance
Alfalah GHP Islamic Income Fund	PACRA	AA-(f)	98.42%	58.75%
Alfalah GHP Islamic Stock Fund	PACRA	Not Rated	-	7.92%
Alfalah GHP Islamic Dedicated Equity Fund	Not Rated	Not Rated	1.58%	33.33%
			<u>100.00%</u>	<u>100.00%</u>

18.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund has majority of its net assets invested in funds managed by the Management Company. Details of the Fund's concentration of credit risk of financial instruments is as follows:

	2019		2018	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	40,673,699	2.11%	584,782,067	10.61%
Open end mutual funds - Quoted	1,889,050,331	97.89%	4,929,280,080	89.39%
	<u>1,929,724,030</u>	<u>100.00%</u>	<u>5,514,062,147</u>	<u>100.00%</u>

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	39,399,415	-	-	-	39,399,415
Investments	1,889,050,331	-	-	-	1,889,050,331
Profit receivable on bank balances	1,274,284	-	-	-	1,274,284
Receivable against sale of investments	5,788,837	-	-	-	5,788,837
	<u>1,935,512,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,935,512,867</u>
Financial liabilities					
Payable to the Management Company	2,276,122	-	-	-	2,276,122
Payable to the Trustee	230,940	-	-	-	230,940
Units to be issued against Pre-IPO subscription	-	-	-	-	-
Payable against Pre-IPO subscription	-	-	-	-	-
Payable against redemption of units	-	-	-	-	-
Accrued and other liabilities	4,806,694	-	-	-	4,806,694
	<u>7,313,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,313,756</u>
Net assets	<u>1,928,199,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,928,199,111</u>

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	583,059,064	-	-	-	583,059,064
Investments	4,929,280,080	-	-	-	4,929,280,080
Profit receivable on bank balances	1,723,003	-	-	-	1,723,003
Receivable against sale of investments	-	-	-	-	-
	5,514,062,147	-	-	-	5,514,062,147
Financial liabilities					
Payable to the Management Company	3,471,021	-	-	-	3,471,021
Payable to the Trustee	909,235	-	-	-	909,235
Units to be issued against Pre-IPO subscription	551,326,905	-	-	-	551,326,905
Payable against Pre-IPO subscription	574,292	-	-	-	574,292
Payable against redemption of units	542,972	-	-	-	542,972
Accrued and other liabilities	4,447,359	-	-	-	4,447,359
	561,271,784	-	-	-	561,271,784
Net assets	4,952,790,363	-	-	-	4,952,790,363

18.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019, the Fund held the following financial instruments measured at fair values:

----- 2019 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial Assets 'at fair value through profit or loss'

Open end mutual funds - Quoted	1,889,050,331	-	-	1,889,050,331
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----- 2018 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial Assets 'at fair value through profit or loss'

Open end mutual funds - Quoted	4,929,280,080	-	-	4,929,280,080
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During the year ended June 30, 2019, 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.

18.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders of the plans. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability in respect of each plan 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors 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 as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the plan's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

20 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

Figures have been rounded off to the nearest rupee.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Islmaic Moderate Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	26	1,756,262	172,441,034	59%
Retirement & Other Funds	2	387,474	38,044,679	13%
Others	4	847,339	83,197,160	28%
	32	2,991,075	293,682,874	100%

Balance Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	358	2,805,855	278,554,071	76%
Retirement & Other Funds	2	52,012	5,163,521	1%
Others	6	845,964	83,983,901	23%
	366	3,703,831	367,701,493	100%

Islmaic Active Allocation PlanII

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	42	1,762,809	159,757,579	39%
Retirement & Other Funds	6	2,587,648	234,510,009	57%
Others	3	183,517	16,631,391	4%
	51	4,533,974	410,898,980	100%

Islmaic Active Allocation Plan III

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	72	3,666,322	340,872,233	57%
Retirement & Other Funds	3	525,670	48,873,605	8%
Others	4	2,286,331	212,568,911	35%
	79	6,478,323	602,314,749	100%

Islmaic Capital Preservation Plan IV

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	88	1,045,112	104,715,649	60%
Retirement & Other Funds	2	51,657	5,175,803	3%
Others	5	637,359	63,860,598	37%
	95	1,734,128	173,752,051	100%

Islmaic Capital Preservation Plan V

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	32	290,737	29,126,524	52%
Retirement & Other Funds	4	267,013	26,749,775	48%
	36	557,750	55,876,299	100%

Islmaic Active Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	84	3,713,459	363,712,904	43%
Retirement & Other Funds	12	2,366,594	231,794,592	27%
Others	7	2,596,980	254,359,664	30%
	103	8,677,033	849,867,160	100%

Islamic Balance Allocation Plan

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	478	8,884,498	936,759,831	69%
Retirement & Other Funds	7	661,506	69,747,572	5%
Others	13	3,440,617	362,770,398	26%
	498	12,986,621	1,369,277,801	100%

Islmaic Active Allocation PlanII

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	159	7,708,379	712,348,941	41%
Retirement & Other Funds	13	8,241,446	761,610,135	44%
Others	10	2,779,908	256,897,451	15%
	182	18,729,733	1,730,856,527	100%

Islmaic Active Allocation Plan III

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	116	6,479,584	617,302,142	63%
Retirement & Other Funds	3	802,487	76,451,970	8%
Others	6	3,012,386	286,986,368	29%
	125	10,294,456	980,740,480	100%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGIPPF

30 June 2019

	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
Net Assets	293,683	367,701	410,898	602,314	173,752	55,876
NAV per unit	98.1864	99.2760	90.6267	92.9739	100.1956	100.1816
Selling price per unit	100.9602	100.6783	N/A	N/A	N/A	N/A
Redemption price per unit	98.1864	99.2760	89.2673	90.6496	100.1956	100.1816
Highest selling price per unit	105.6006	104.0323	92.6319	94.4054	103.2990	103.4726
Highest redemption price per unit	102.6993	102.5833	94.0425	96.8260	103.9197	103.4726
Lowest selling price per unit	100.9602	99.9209	86.5046	86.7560	100.0000	100.0000
Lowest redemption price per unit	98.0297	98.5292	87.8219	88.9805	100.0000	100.0000
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution per unit	4.5953	3.3133	Nil	Nil	3.7162	3.4161
Final distribution date	30-Jun-19	30-Jun-19	N/A	N/A	30-Jun-19	30-Jun-19
Annualized returns	4.94	3.18	-1.93	-2.41	3.91	3.60
Income distribution	4.6917	3.3323	Nil	Nil	3.7162	3.4161
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

30 June 2018

	Islamic Active Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III
Net Assets	849,867	1,369,278	1,730,856	980,740
NAV per unit	97.9444	105.4376	92.4122	95.2688
Selling price per unit	N/A	106.9269	N/A	N/A
Redemption price per unit	97.9444	105.4376	91.0260	92.8871
Highest selling price per unit	110.4329	107.7997	104.5352	103.6085
Highest redemption price per unit	104.7139	106.2982	99.1216	98.2429
Lowest selling price per unit	94.4505	104.0610	92.3887	95.9923
Lowest redemption price per unit	92.8732	102.6116	88.0158	91.0211
Total interim distribution per unit	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil
Final distribution per unit	Nil	Nil	Nil	Nil
Final distribution date	Nil	N/A	N/A	N/A
Annualized returns	-8.05%	0.52%	-8.36%	-4.44%
Income distribution	Nil	Nil	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A

30 June 2017

	Islamic Active Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III
Net Assets	1,728,215	3,523,330	2,098,757	1,098,563
NAV per unit	106.5153	104.8977	100.8383	99.6929
Selling price per unit	109.5244	106.3794	103.6870	102.5092
Redemption price per unit	103.8524	14.8977	98.3173	97.2006
Highest selling price per unit	127.1176	110.8360	119.6837	102.8987
Highest redemption price per unit	120.4553	109.2920	114.3877	97.5699
Lowest selling price per unit	97.1686	101.5260	102.9460	102.5092
Lowest redemption price per unit	96.5503	100.1120	97.6147	97.2006
Total interim distribution per unit	7.2592	2.9251	6.4865	0.0716
Interim distribution date	22-Jun-17	22-Jun-17	22-Jun-17	22-Jun-17
	29-Jun-17	29-Jun-17	29-Jun-17	29-Jun-17
Final distribution per unit	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A
Annualized returns	14.72%	7.80%	7.29%	-0.31%
Income distribution	7.26%	2.93%	6.49%	0.07%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A

IAAP - Return since inception is 3.09%
 BAP - Return since inception is 3.75%
 IAAP II - Return since inception is -1.36%
 IAAP III - Return since inception is -3.50%
 ICP IV - Return since inception is -3.91%
 ICP V - Return since inception is -3.60%

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



**Alfalah
GHP Islamic
Dedicated Equity Fund**

FUND INFORMATION

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

Alfalah GHP Islamic Dedicated Equity Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

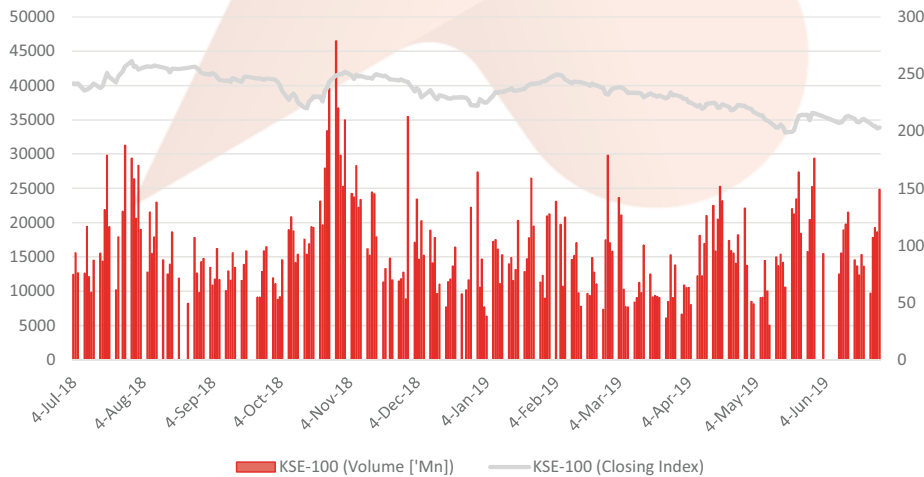
The investment objective of Alfalah GHP Islamic Stock Fund (AGISF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

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 via investments in Shariah Compliant avenues.

Equity Market Review

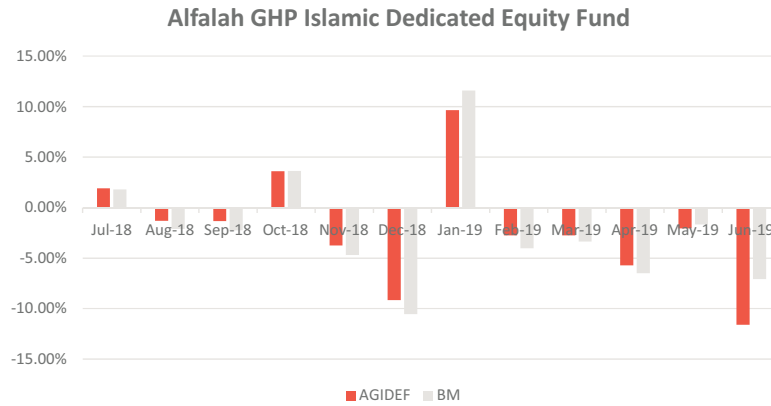
The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mm during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.



Fund Performance

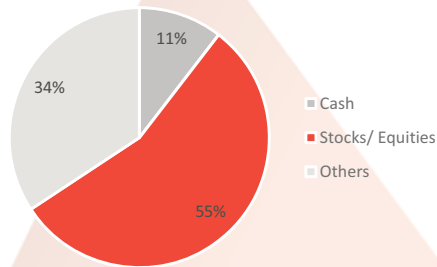
Fund remained invested in index heavy sectors (E&P and Ferts.) as they presented attractive valuation. Fund remained underweight in cyclical sectors (Cement, Automobile and Steel) as we believe that economic slowdown will negatively impact the valuation of the sectors.

Performance comparison with Benchmark



Asset Allocation

Asset Allocation
(as at 30 June 2019)



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

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) 34326021 - 23
URL: www.cdcpk.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC DEDICATED EQUITY 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 Islamic Dedicated Equity Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



SHARIAH REVIEW REPORT ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Dedicated Equity Fund ('AGIDEF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we provide consent for Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2018 to June 30, 2019.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

In the Year 2017-18 Provision against Charity was made amounted to Rs. 665,261/-, During the Year 2018-19 the said provisioning after adjustment on the basis of final dividend purification rates amounted to Rs. 873,009/- based on respective Companies Annual Financial Statement. The same was available for disbursement to Charitable Institution. For the Year 2018-19 Provision against Charity is made amount to Rs. 983,859/- in respect of dividend purification, which is subject to final adjustment on the basis of respective Companies Annual Financial Statement for the year ended 2020.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Atta Ullah
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Dedicated Equity Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2019. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 25, 2019

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Dedicated Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Dedicated Equity Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 25.775 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other matter

The financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 24, 2018.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2019

	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
Assets			
Bank balances	4	4,351,188	97,846,945
Investments	5	25,775,308	1,540,194,765
Security deposits	6	2,600,000	2,600,000
Dividend and profit receivable	7	37,587	3,012,405
Receivable against sale of investments	8	-	7,133,992
Preliminary expenses and floatation cost		659,453	886,958
Total assets		33,423,536	1,651,675,065
Liabilities			
Payable to the Management Company	9	1,595,892	5,870,767
Payable to the Trustee	10	65,001	252,533
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	901,429	1,119,105
Accrued and other liabilities	12	3,099,381	1,831,696
Total liabilities		5,661,703	9,074,101
Net assets attributable to the unit holders		27,761,833	1,642,600,964
Unit Holders' fund (as per statement attached)		27,761,833	1,642,600,964
Contingencies and commitments			
	14	----- (Number of units) -----	
Number of units in issue		463,602	19,367,739
		----- (Rupees) -----	
Net asset value per unit		59.8829	84.8112

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
INCOME			
Profit on bank balances		5,700,075	5,975,232
Loss on sale of investment - net		(202,960,216)	(75,239,829)
Dividend income		50,952,735	52,702,947
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	(2,921,187)	(42,193,341)
Other income		-	61,479
Total loss		<u>(149,228,593)</u>	<u>(58,693,512)</u>
EXPENSES			
Remuneration of the Management Company	9.1	11,860,913	14,725,063
Sindh sales tax on remuneration of the Management Company	9.2	1,541,919	1,914,259
Remuneration of the Trustee	10.1	1,788,079	2,051,357
Sindh sales tax on remuneration of the Trustee	10.2	232,450	266,676
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11	901,429	1,119,105
Bank and settlement charges		884,732	302,176
Auditors' remuneration	15	325,500	325,351
Brokerage and securities transaction costs		3,950,829	2,850,446
Amortisation of preliminary expenses and floatation cost		227,505	227,505
Printing and related costs		70,000	82,700
Legal charges		-	42,843
Allocated expenses	9.3	948,828	1,177,983
Selling and marketing expenses	9.4	3,795,335	4,711,931
Charity expense	12.1	983,859	665,261
Shariah advisory fee		360,000	349,999
Total expenses		<u>27,871,378</u>	<u>30,812,655</u>
Net loss for the year before taxation		<u>(177,099,971)</u>	<u>(89,506,167)</u>
Taxation	16	-	-
Net loss for the year after taxation		<u>(177,099,971)</u>	<u>(89,506,167)</u>
Allocation of net income for the year			
Net income for the period after taxation		-	-
income already paid on units redeemed		-	-
		<u>-</u>	<u>-</u>
Accounting income available for distribution			
Relating to capital gains		-	-
Excluding capital gains		-	-
		<u>-</u>	<u>-</u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
	----- (Rupees) -----	
Net loss for the year after taxation	(177,099,971)	(89,506,167)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u><u>(177,099,971)</u></u>	<u><u>(89,506,167)</u></u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	2019			2018		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	Rupees			Rupees		
Net assets at the beginning of the year	1,754,300,898	(111,699,934)	1,642,600,964	710,595,971	(22,193,767)	688,402,204
Issuance of 16,186,425 units (2018: 24,658,809 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,372,789,911	-	1,372,789,911	2,388,864,034	-	2,388,864,034
- Element of loss	(77,789,911)	-	(77,789,911)	(284,088,507)	-	(284,088,507)
Total proceeds on issuance of units	1,295,000,000	-	1,295,000,000	2,104,775,527	-	2,104,775,527
Redemption of 35,090,562 units (2018: 12,397,029 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,976,072,263	-	2,976,072,263	1,200,983,737	-	1,200,983,737
- Element of income	(243,333,103)	-	(243,333,103)	(139,913,137)	-	(139,913,137)
Total payments on redemption of units	2,732,739,160	-	2,732,739,160	1,061,070,600	-	1,061,070,600
Total comprehensive loss for the year	-	(177,099,971)	(177,099,971)	-	(89,506,167)	(89,506,167)
Distribution during the year	-	-	-	-	-	-
Net assets at the end of the year	316,561,738	(288,799,905)	27,761,833	1,754,300,898	(111,699,934)	1,642,600,964
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(69,506,593)			(16,180,730)	
- Unrealised loss		(42,193,341)			(6,013,037)	
		<u>(111,699,934)</u>			<u>(22,193,767)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(177,099,971)			(89,506,167)	
Distribution during the year		-			-	
Accumulated loss carried forward		<u>(288,799,905)</u>			<u>(111,699,934)</u>	
Accumulated loss carried forward						
- Realised loss		(285,878,718)			(69,506,593)	
- Unrealised (loss)		(2,921,187)			(42,193,341)	
		<u>(288,799,905)</u>			<u>(111,699,934)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>84.8112</u>			<u>96.8767</u>	
Net asset value per unit at the end of the year		<u>59.8829</u>			<u>84.8112</u>	

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(177,099,971)	(89,506,167)
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		2,921,187	42,193,341
Amortisation of preliminary expenses and floatation cost		227,505	227,505
		<u>(173,951,279)</u>	<u>(47,085,321)</u>
(Increase) / decrease in assets			
Investments - net		1,511,498,270	(1,052,319,452)
Dividend and profit receivable		2,974,818	(2,640,688)
Receivable against sale of investments		7,133,992	(7,133,992)
		<u>1,521,607,080</u>	<u>(1,062,094,132)</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		(4,274,875)	4,572,431
Payable to the Trustee		(187,532)	185,424
Payable to the Securities and Exchange Commission of Pakistan		(217,676)	1,107,676
Payable against purchase of investments		-	(536,081,691)
Accrued and other liabilities		1,267,685	1,118,880
		<u>(3,412,398)</u>	<u>(529,097,280)</u>
Net cash generated from / (used in) operating activities		<u>1,344,243,403</u>	<u>(1,638,276,733)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		1,295,000,000	2,104,775,527
Amount paid against redemption of units		(2,732,739,160)	(1,061,070,600)
Net cash (used in) / generated from financing activities		<u>(1,437,739,160)</u>	<u>1,043,704,927</u>
Net decrease in cash and cash equivalents during the year		(93,495,757)	(594,571,806)
Cash and cash equivalents at beginning of the year		97,846,945	692,418,751
Cash and cash equivalents at end of the year	4	<u><u>4,351,188</u></u>	<u><u>97,846,945</u></u>

The annexed notes from 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on April 06, 2017, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 28, 2017.

The Management Company of the Fund has been licensed to act as an asset management company under the NBFC Rules through a certificate issued by the SECP on March 09, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. IFRS 9 has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

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

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgement or complexity, or areas where estimates assumptions are significant to the financial statements are as follows

- i. Classification and valuation of financial assets (notes 3.3.1 and 5)
- ii. Impairment of financial assets (note 3.3.2)
- iii. Taxation (notes 3.6 and 16)

2.5 Accounting Convention

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

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change as explained in note 2.2.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the

Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Derivatives

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to Income Statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001)

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.8 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 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 the investment facilitators, distributors, and the Management Company.

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

3.12 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as 'financial asset at fair value through profit or loss' are recorded at the date on which the transaction takes place
- Unrealised gains / (losses) arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which they arise.
- Profit on saving account with banks is recognised on time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established. i.e. on the date of commencement of book closure of the investee company institution declaring the dividend.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2019	2018
		----- (Rupees) -----	
Bank balances			
- in saving accounts	4.1	1,671,870	93,936,545
- in current account	4.2	2,679,318	3,910,400
		4,351,188	97,846,945

4.1 The rate of return on these accounts ranges from 4.75% to 11.60% (2018: 3.37% to 6.50%) per annum. It includes bank balance of Rs 3.515 million (2018: Rs 3.26 million) maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

4.2 This current account is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	2019	2018
		----- (Rupees) -----	
'At fair value through profit or loss'			
Listed equity securities	5.1	25,775,308	1,540,194,765
		25,775,308	1,540,194,765

5.1 Investment in listed equity securities

Fully paid up ordinary shares of Rs. 10/- each unless otherwise stated

Name of the investee company	As at July 01, 2018	Purchases during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market Value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Appreciation/ (diminution)	Net assets of the Fund	Total investments	
						-----Number of shares-----			-----Rupees-----		
Commercial banks											
Meezan Bank Limited	592,186	538,500	83,463	1,206,500	7,649	618,534	666,687	48,153	2.40%	3%	-
						618,534	666,687	48,153	2.40%	3%	
Textile composite											
Interloop Limited	-	152,750	-	147,500	5,250	229,562	232,418	2,856	0.84%	1%	-
Nishat Mills Limited	292,826	653,900	-	941,500	5,226	631,322	487,795	(143,527)	1.76%	2%	-
						860,884	720,213	(140,671)	2.59%	3%	
Cement											
Cherat Cement Company Limited	14,500	-	-	14,500	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	391,260	655,200	-	1,045,700	760	66,826	42,970	(23,856)	0.15%	0%	-
Fauji Cement Company Limited	1,001,500	-	-	1,001,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	10,700	126,400	-	136,200	900	75,274	47,277	(27,997)	0.17%	0%	-
Lucky Cement Limited	172,382	207,600	-	379,250	732	323,703	278,504	(45,199)	1.00%	1%	-
Maple Leaf Cement Factory Limited	486,250	815,000	-	1,300,000	1,250	48,826	29,863	(18,963)	0.11%	0%	-
						514,629	398,614	(116,015)	1.44%	2%	
Power generation & distribution											
The Hub Power Company Limited	1,299,876	1,155,880	-	2,360,000	95,756	7,518,673	7,540,801	22,128	27.16%	29%	0.01%
Kot Addu Power Company Limited	840,000	569,000	-	1,400,000	9,000	440,526	327,420	(113,106)	1.18%	1%	-
						7,959,199	7,868,221	(90,978)	28.34%	31%	
Oil and gas marketing companies											
Hascol Petroleum Limited	2,600	-	975	-	3,575	815,776	245,317	(570,459)	0.88%	1%	-
Pakistan State Oil Company Limited	126,368	198,700	19,773	340,900	3,941	709,227	668,512	(40,715)	2.41%	3%	-
Sui Northern Gas Pipelines Limited	471,793	514,000	-	973,000	12,793	948,838	888,986	(59,852)	3.20%	3%	-
						2,473,841	1,802,815	(671,026)	6.49%	7%	
Oil and gas exploration companies											
Mari Petroleum Company Limited	45,497	44,540	4,403	93,660	780	990,678	787,277	(203,401)	2.84%	3%	-
Oil & Gas Development Company Limited	1,152,730	889,700	-	2,025,400	17,030	2,450,891	2,239,275	(211,616)	8.07%	9%	-
Pakistan Oilfields Limited	197,789	150,500	35,157	381,300	2,146	957,027	871,040	(85,987)	3.14%	3%	-
Pakistan Petroleum Limited	779,746	766,000	89,901	1,623,900	11,747	1,966,743	1,696,619	(270,124)	6.11%	7%	-
						6,365,339	5,594,211	(771,128)	20.15%	22%	

Name of the investee company	As at July 01, 2018	Purchases during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2019	As at June 30, 2019			Market Value as a percentage of		Holding as a percentage of paid-up capital of investee company
						Carrying value	Market value	Appreciation/ (diminution)	Net assets of the Fund	Total investments	
-----Number of shares-----						-----Rupees-----					
Engineering											
International Industries Limited	119,594	51,200	-	169,900	894	109,384	68,901	(40,483)	0.25%	0%	-
International Steels Limited	335,371	127,500	-	462,400	471	29,061	18,703	(10,358)	0.07%	0%	-
Amreli Steel Limited	-	95,000	-	95,000	-	-	-	-	-	-	-
						<u>138,445</u>	<u>87,604</u>	<u>(50,841)</u>	<u>0.32%</u>	<u>0%</u>	
Automobile assemblers											
Millat Tractors Limited	7,380	3,750	-	11,050	80	77,857	68,990	(8,867)	0.25%	0%	-
Pak Suzuki Motor Company Limited	86	-	-	-	86	33,831	19,691	(14,140)	0.07%	0%	-
						<u>111,688</u>	<u>88,681</u>	<u>(23,007)</u>	<u>0.32%</u>	<u>0%</u>	
Automobile parts and accessories											
Thal Limited (Face value Rs. 5 per share)	1	-	-	-	1	478	364	(114)	0.00%	0%	-
						<u>478</u>	<u>364</u>	<u>(114)</u>	<u>0.00%</u>	<u>0%</u>	
Cable and electrical goods											
Pak Elektron Limited	315	-	-	-	315	11,170	6,306	(4,864)	0.02%	0%	-
						<u>11,170</u>	<u>6,306</u>	<u>(4,864)</u>	<u>0.02%</u>	<u>0%</u>	
Fertilizer											
Dawood Hercules Corporation Limited	296,716	4,000	-	300,200	516	57,401	57,400	(1)	0.21%	0%	-
Engro Fertilizers Limited	1,469,507	1,154,500	-	2,608,000	16,007	1,147,766	1,023,968	(123,798)	3.69%	4%	-
Engro Corporation Limited	378,181	483,500	27,298	881,200	7,779	2,189,569	2,066,102	(123,467)	7.44%	8%	-
Fauji Fertilizer Company Limited	473,500	437,500	-	908,500	2,500	256,046	218,000	(38,046)	0.79%	1%	-
						<u>3,650,782</u>	<u>3,365,470</u>	<u>(285,312)</u>	<u>12.12%</u>	<u>13%</u>	
Pharmaceuticals											
The Searle Company Limited	71,871	66,000	5,095	137,500	5,466	1,354,444	801,097	(553,347)	2.89%	3%	-
						<u>1,354,444</u>	<u>801,097</u>	<u>(553,347)</u>	<u>2.89%</u>	<u>3%</u>	
Chemicals											
Engro Polymer & Chemicals Limited	501,000	1,837,000	-	2,314,000	24,000	691,623	647,040	(44,583)	2.33%	3%	-
ICI Pakistan Limited	7,633	-	-	7,600	33	26,450	17,572	(8,878)	0.06%	0%	-
						<u>718,073</u>	<u>664,612</u>	<u>(53,461)</u>	<u>2.39%</u>	<u>3%</u>	
Paper and board											
Packages Limited	53,532	-	-	53,200	332	162,587	99,786	(62,801)	0.36%	0%	-
						<u>162,587</u>	<u>99,786</u>	<u>(62,801)</u>	<u>0.36%</u>	<u>0%</u>	
Foods and personal care products											
Fauji Foods Limited	416,500	-	-	416,500	-	-	-	-	-	-	-
						<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Miscellaneous											
Synthetic Products Enterprises Limited	21,114	-	-	16,000	5,114	261,325	113,480	(147,845)	0.41%	0%	0.01%
						<u>261,325</u>	<u>113,480</u>	<u>(147,845)</u>	<u>0.41%</u>	<u>0%</u>	
Technology and communication											
Systems Limited	-	105,100	6,340	75,000	36,440	3,495,077	3,497,147	2,070	12.60%	14%	0.03%
						<u>3,495,077</u>	<u>3,497,147</u>	<u>2,070</u>	<u>12.60%</u>	<u>14%</u>	
As at June 30, 2019						<u>28,696,495</u>	<u>25,775,308</u>	<u>(2,921,187)</u>	<u>92.84%</u>	<u>100%</u>	
As at June 30, 2018						<u>1,582,388,106</u>	<u>1,540,194,765</u>	<u>(42,193,341)</u>			

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs

are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2019, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the Company	2019		2018	
	Bonus Shares		Bonus Shares	
	Number of shares withheld	Market value as at June 30, 2019 (Rupees)	Number of shares withheld	Market value as at June 30, 2018 (Rupees)
Pakistan State Oil Company Limited	492	83,458	410	130,507
The Searle Company Limited	869	127,361	756	256,662
		<u>210,819</u>		<u>387,169</u>

- 5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 14.53 million (2018: Rs 60.42 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Security	2019	2018	2019	2018
	Number of Shares		Market Value (Rupees)	
Millat Tractors Limited	75	-	64,678	-
Lucky Cement Limited	730	-	277,743	-
Engro Polymers and Chemical Limited	8,990	-	242,370	-
Fauji Fertilizers Company	2,490	-	217,128	-
Meezan Bank Limited	7,645	-	666,338	-
Hascol Petroleum Limited	3,570	-	244,973	-
The Searle Company Limited	4,590	-	672,710	-
D. G. Khan Cement	750	-	42,405	-
Engro Fertilizers Limited	14,500	150,000	927,565	14,833,500
Pakistan State Oil Company Limited	447	-	75,825	-
International Steels Limited	465	-	18,465	-
System Limited	34,430	-	3,304,247	-
Oil & Gas Development Company Limited	12,000	130,000	1,577,880	20,230,600
The Hub Power Company Limited	15,370	100,000	1,210,388	9,216,000
Pakistan Petroleum Limited	6,740	-	973,458	-
Pakistan Oilfields Limited	1,140	-	462,715	-
Nishat Mills Limited	3,220	70,000	300,555	9,864,400
Sui Northern Gas Pipelines Limited	8,790	-	610,817	-
Kot Addu Power Company Limited	8,990	-	327,056	-
Engro Corporation Limited	4,775	20,000	1,268,240	6,277,200
Pak Suzuki Motor Company	80	-	18,317	-
International Industries Limited	890	-	68,592	-
Kohat Cement Company Limited	890	-	46,752	-
Packages Limited	330	-	99,185	-
Maple Leaf Cement Factory Limited	1,245	-	29,743	-
Mari Petroleum Company Limited	775	-	782,231	-
	<u>143,917</u>	<u>470,000</u>	<u>14,530,376</u>	<u>60,421,700</u>

5.2 Non compliant investments

Name of non compliant investment	Type of investment	Value of Investment before provision	Provision balance as on July 01, 2018	Provision during the year	Provision held, if any	Value of investment after provision	Fair value as a percentage of:	
							Net assets	Gross assets

(Rupees)

Hub Power Company Limited	Listed Equity Security	7,540,801	-	-	-	7,540,801	27.16%	22.56%
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At the time of purchase / investment, the Listed Equity Security was in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules. However, subsequently it became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirements of the 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.

5.3 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

Note
2019
2018
----- (Rupees) -----

Market value of investments	5.1	25,775,308	1,540,194,765
Less: Carrying value of investments	5.1	(28,696,495)	(1,582,388,106)
		<u>(2,921,187)</u>	<u>(42,193,341)</u>

6. SECURITY DEPOSITS

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	<u>2,600,000</u>	<u>2,600,000</u>

7. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable		3,435	2,315,701
Profit receivable on bank balances	7.1	34,152	696,704
		<u>37,587</u>	<u>3,012,405</u>

7.1 This includes accrued markup of Rs 9,292 (2018: Rs 14,708) receivable from Bank Alfalah Limited - Islamic Banking Division (a related party).

8. RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents receivable against sale of investments which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange regulations. These amounts have been received subsequent to the year.

Note
2019
2018
----- (Rupees) -----

9. PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	9.1	131,130	1,766,130
Sindh sales tax payable on management remuneration	9.2	17,048	229,598
Preliminary expenses and floatation cost payable		57,500	57,500
Payable against allocated expenses	9.3	167,643	763,508
Payable against selling and marketing expenses	9.4	1,222,571	3,054,031
		<u>1,595,892</u>	<u>5,870,767</u>

9.1 The Management Company has charged remuneration at a rate of 1.25% (2018: 1.25%) of daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 1.542 million (2018: Rs. 1.914 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.64 million (2018: Rs. 1.701 million) has been paid to the Management Company which acts as a collecting agent.

9.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

	Note	2019	2018
----- (Rupees) -----			
10. PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	10.1	57,522	223,480
Sindh sales tax payable on trustee remuneration	10.2	7,479	29,053
		65,001	252,533

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs 0.7 million or 0.20% p.a. of net assets whichever is higher
Over Rs.1 billion	Rs 2.0 million plus 0.10% p.a. of net assets exceeding one billion

- 10.2 During the year, an amount of Rs 0.232 million (2018: Rs. 0.267 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.254 million (2018: Rs. 0.245 million) was paid to the Trustee which acts as a collecting agent.

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

Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 (2018 : 0.095) percent of the average annual net assets of the Fund.

	Note	2019	2018
----- (Rupees) -----			
12. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		204,803	207,751
Brokerage payable		860,758	678,463
Settlement charges		299,242	33,307
Printing charges		93,807	47,300
Withholding tax payable		166,903	14,865
Charity payable	12.1	929,120	665,261
Shariah advisory fee		544,748	184,749
		3,099,381	1,831,696

- 12.1 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments, a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 2.94% which includes 0.28% representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	Note	2019	2018
----- (Rupees) -----			
15. AUDITORS' REMUNERATION			
Audit fee		150,000	150,000
Review and other certification		120,000	120,000
		270,000	270,000
Sindh sales tax		24,111	21,600
Out of pocket expenses		31,389	33,751
		325,500	325,351

16. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

17.1 Unit Holders' Fund

2019								
As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
(Units)				(Rupees)				
Other Related Party								
Alfalah GHP Islamic Prosperity Planning Fund	19,367,739	16,186,425	35,090,562	463,602	1,642,600,964	1,190,230,256	2,639,621,810	27,761,833
2018								
As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
(Units)				(Rupees)				
Other Related Party								
Alfalah GHP Islamic Prosperity Planning Fund	7,105,960	24,658,809	12,397,029	19,367,739	688,402,204	2,104,775,526	1,061,070,600	1,642,600,964

17.2 Details of transaction with related parties during the year are as follows:

	2019	2018
	-----Rupees-----	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited (Management Company)		
Remuneration to the Management Company	11,860,913	14,725,063
Sindh sales tax on remuneration to Management Company	1,541,919	1,914,259
Allocated expenses	948,828	1,177,983
Selling and marketing expense	3,795,335	4,711,931
Bank Alfalah Limited - Islamic Banking Division		
Profit on bank balances	35,333	234,891
Bank charges	3,438	8,267

	2019	2018
	-----Rupees-----	
Other related party		
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,788,079	2,051,357
Sindh sales tax on remuneration of the Trustee	232,450	266,676
CDS charges	221,846	129,618

17.3 Details of balances with related parties as at year end are as follows:

Associated Companies / Undertakings

Alfalah GHP Investment Management Limited (Management Company)

Remuneration of the Management Company	131,130	1,766,130
Sindh sales tax payable on remuneration of the Management Company	17,048	229,598
Preliminary expenses and floatation cost payable	57,500	57,500
Payable against allocated expenses	167,643	763,508
Payable against selling and marketing expenses	1,222,571	3,054,031

Bank Alfalah Limited (Islamic)

Bank balances	3,515,475	7,170,808
Profit receivable	9,292	14,708

Other related party

Central Depository Company of Pakistan Limited (Trustee)

Remuneration payable to the Trustee	57,522	223,480
Sindh sales tax payable on trustee remuneration	7,479	29,053
Security deposit	100,000	100,000

18 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial asset measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorized as financial liabilities measured at amortised cost.

	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	4,351,188	-	4,351,188
Investments	-	25,775,308	25,775,308
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	37,587	-	37,587
	<u>6,988,775</u>	<u>25,775,308</u>	<u>32,764,083</u>
	2019		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	1,595,892	1,595,892
Payable to the Trustee	-	65,001	65,001
Accrued and other liabilities	-	2,932,478	2,932,478
		<u>4,593,371</u>	<u>4,593,371</u>

Financial assets

Bank balances
Investments
Security deposits
Dividend, profit and other receivable
Receivable against sale of investments

2018		
At amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----		
97,846,945	-	97,846,945
-	1,540,194,765	1,540,194,765
2,600,000	-	2,600,000
3,012,405	-	3,012,405
7,133,992	-	7,133,992
<u>110,593,342</u>	<u>1,540,194,765</u>	<u>1,650,788,107</u>

Financial liabilities

Payable to the Management Company
Payable to the Trustee
Accrued and other liabilities

2018		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----		
-	5,870,767	5,870,767
-	252,533	252,533
-	1,816,831	1,816,831
	<u>7,940,131</u>	<u>7,940,131</u>

19 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan

Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

19.1.1 Currency risk

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

19.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's interest bearing financial instruments is as follows:

Variable rate instruments (financial assets)	2019	2018
	----- Rupees -----	
Bank balances	<u>1,671,870</u>	<u>93,936,545</u>
	<u>1,671,870</u>	<u>93,936,545</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.68 million (2018: Rs 0.939 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2019					Total
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		Up to three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	4.75% to 11.60%	1,671,870	-	-	2,679,318	4,351,188
Investments		-	-	-	25,775,308	25,775,308
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	37,587	37,587
Sub total		<u>1,671,870</u>	<u>-</u>	<u>-</u>	<u>31,092,213</u>	<u>32,764,083</u>

Financial liabilities

Payable to the Management Company		-	-	-	1,595,892	1,595,892
Payable to the Trustee		-	-	-	65,001	65,001
Accrued and other liabilities		-	-	-	2,932,478	2,932,478
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>4,593,371</u>	<u>4,593,371</u>

On-balance sheet gap

	<u>1,671,870</u>	<u>-</u>	<u>-</u>	<u>26,498,842</u>	<u>28,170,712</u>
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Total profit rate sensitivity gap

	<u>1,671,870</u>	<u>-</u>	<u>-</u>	<u>26,498,842</u>	<u>28,170,712</u>
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Cumulative profit rate sensitivity gap

	<u>1,671,870</u>	<u>1,671,870</u>	<u>1,671,870</u>
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Particulars	2018					Total
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	3.37%- 6.50%	93,936,545	-	-	3,910,400	97,846,945
Investments		-	-	-	1,540,194,765	1,540,194,765
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	3,012,405	3,012,405
Receivable against sale of investments		-	-	-	7,133,992	7,133,992
Sub total		<u>93,936,545</u>	<u>-</u>	<u>-</u>	<u>1,556,851,562</u>	<u>1,650,788,107</u>

Financial liabilities

Payable to the Management Company		-	-	-	5,870,767	5,870,767
Payable to the Trustee		-	-	-	252,533	252,533
Accrued and other liabilities		-	-	-	1,816,831	1,816,831
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>7,940,131</u>	<u>7,940,131</u>

On-balance sheet gap

	<u>93,936,545</u>	<u>-</u>	<u>-</u>	<u>1,548,911,431</u>	<u>1,642,847,976</u>
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Total profit rate sensitivity gap

	<u>93,936,545</u>	<u>-</u>	<u>-</u>	<u>1,548,911,431</u>	<u>1,642,847,976</u>
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Cumulative profit rate sensitivity gap

	<u>93,936,545</u>	<u>93,936,545</u>	<u>93,936,545</u>
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19.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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, 2019. The analysis is based on the assumption that the KSE index increased / decreased by 1%, 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 the index. This represents managements' best estimate of a reasonable possible shift in the KSE index, having regard to the historical volatility of the index of the past three years.

At June 30, 2019, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

<i>Effect due to increase / decrease in KSE 100 index</i>	2019	2018
	-----Rupees-----	
Investment and net assets	257,753	15,401,948
Income statement	<u>257,753</u>	<u>15,401,948</u>

19.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	4,351,188	1,671,870	97,846,945	93,495,757
Investments	25,775,308	-	1,540,194,765	-
Security deposits	2,600,000	2,600,000	-	2,600,000
Dividend, profit and other receivable	37,587	-	3,012,405	3,012,405
Receivable against sale of investments	-	-	7,133,992	7,133,992
	<u>32,764,083</u>	<u>4,309,457</u>	<u>1,650,788,107</u>	<u>106,242,154</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 25.78 million (2018: 1,540.19 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2019 and June 30, 2018.

19.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Name of Bank	Rating Agency	Rating	2019	2018
			Percentage of Total Bank Balances	
Bank Alfalah Limited	PACRA	A1+ / AA+	86.54%	7.33%
Meezan Bank Limited	JCR-VIS	A1+ / AA+	0.25%	0.00%
Bank Islami Pakistan Limited	PACRA	A1/ A+	6.23%	92.54%
Dubai Islamic Bank Pakistan Limited	PACRA	A1+ / AA	0.25%	0.01%
National Bank of Pakistan	JCR-VIS	A1+ / AA+	6.73%	0.12%
			<u>100.00%</u>	<u>100.00%</u>

19.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	4,351,188	-	-	-	4,351,188
Investments	25,775,308	-	-	-	25,775,308
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	37,587	-	-	-	37,587
	32,764,083	-	-	-	32,764,083
Financial liabilities					
Payable to the Management Company	1,595,892	-	-	-	1,595,892
Payable to the Trustee	65,001	-	-	-	65,001
Accrued and other liabilities	2,932,478	-	-	-	2,932,478
	4,593,371	-	-	-	4,593,371
Net assets	<u>28,170,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,170,712</u>
----- Rupees -----					
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	97,846,945	-	-	-	97,846,945
Investments	1,540,194,765	-	-	-	1,540,194,765
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	3,012,405	-	-	-	3,012,405
Receivable against sale of investments	7,133,992	-	-	-	7,133,992
	1,650,788,107	-	-	-	1,650,788,107
Financial liabilities					
Payable to the Management Company	5,870,767	-	-	-	5,870,767
Payable to the Trustee	252,533	-	-	-	252,533
Accrued and other liabilities	1,816,831	-	-	-	1,816,831
	7,940,131	-	-	-	7,940,131
Net assets	<u>1,642,847,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,642,847,976</u>

19.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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); and

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

As at June 30, 2019, the Fund held the following financial instruments measured at fair values:

2019				
Level 1	Level 2	Level 3	Total	
Rupees				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	25,775,308	-	-	25,775,308
2018				
Level 1	Level 2	Level 3	Total	
Rupees				
Financial assets 'at fair value through profit or loss'				
Shares of listed companies - 'ordinary shares'	1,540,194,765	-	-	1,540,194,765

During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit Holders' Fund Risk Management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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 the unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive of the Management 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 as 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 Funds' yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. During the year, the Fund remained below one hundred million rupees on certain days, however the same was complied within the time limit as specified in the NBFC Regulations. The Fund is below the minimum requirement of one hundred million rupees as at June 30, 2019 as well. However, the Fund is required to comply with this requirement within three month of non-compliance.

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

22 GENERAL

Figures are rounded off to the nearest rupee.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 29, 2019**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	2	463,602	27,761,833	100%
	2	463,602	27,761,833	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	4	19,367,739	1,642,600,964	100%
	4	19,367,739	1,642,600,964	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June
	2019
	%
Inter Market Securities Limited	11%
Alfalah Securities (Private) Limited	9%
Next Capital Limited	7%
EFG Hermes Pakistan Limited	7%
Optimus Capital Management (Pvt) Limited	6%
Foundation Securities Limited	5%
IGI Finex Securities Limited	5%
Topline Securities (Pvt) Limited	5%
Al Habib Capital Markets Limited	5%
Shajar Capital Pakistan Private Limited	5%
	30 June
	2018
	%
Inter Market Securities Limited	8%
IGI Finex Securities Limited	7%
Insight Securities (Private) Limited	7%
Arif Habib Limited	7%
AKD Securities Ltd.	7%
Shajar Capital Pakistan Private Limited	6%
Topline Securities (Pvt) Limited	6%
JS Global Capital Limited	5%
Next Capital Limited	5%
Habib Metropolitan Financial Services limited	5%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGIDEF

	30 June 2019	30 June 2018	30 June 2017
Net Assets	27,761,833	1,642,600,964	688,402,204
NAV per unit	59.8829	84.8112	96.8767
Selling price per unit	60.8979	86.2487	98.5188
Redemption price per unit	59.8829	84.8112	96.8767
Highest selling price per unit	89.6781	100.8917	101.7107
Highest redemption price per unit	88.1834	99.2101	100.0154
Lowest selling price per unit	60.8979	80.2861	98.5188
Lowest redemption price per unit	59.8829	78.9479	96.8767
Total interim distribution per unit	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil
	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A
Annualized returns	-23.98%	-12.45%	-3.12%
Income distribution	Nil	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A
Return since inception is -18.83%			

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Hub Power Company Limited							
EOGM	20-Aug-18	Approval of Annual Accounts of the Company	1,108,876	0.010%	✓		
		Declaration of Dividend					
The Kot Addu Power Company Limited							
EOGM	5-Sep-19	Approval of Annual Accounts of the Company	781,000	0.09%	✓		
		Declaration of Dividend					





Alfalah
GHP Islamic Value Fund

FUND INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

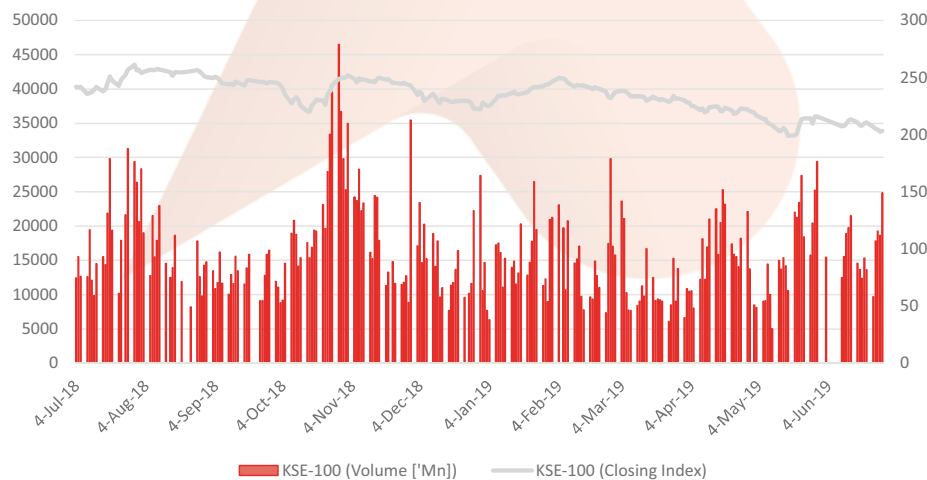
Investment Objective

The investment objective of Alfalah GHP Islamic Value Fund (AGIVF) is to earn a potentially high return through allocation of assets between Shari'ah Equity Instruments, Shari'ah Fixed Income Instruments and any other Shari'ah instrument as permitted by the SECP and Shari'ah Advisor. 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.

Market Review:

The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse

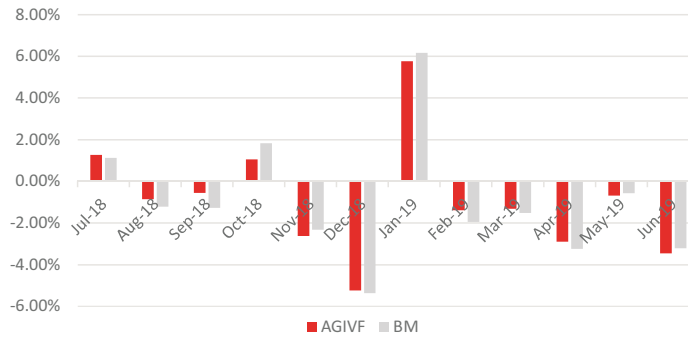


Fund Performance

During the year under review, the Fund generated a return of -10.80% against a benchmark return of -11.42% YTD translating into an outperformance of 62bps.

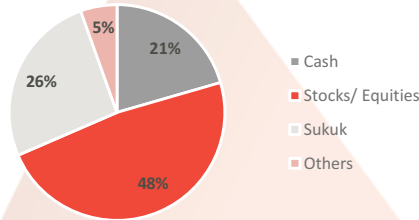
Benchmark KMI -30 index fell 32% during the year from its high 74,350 level in August 2018. The fund's outperformance was achieved due to lesser equity allocation of 57.55% on average basis across financial year. Major portion of the fund remained invested in index heavy sectors, mainly Oil & Gas exploration and Fertilizers. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies, however, index heavy companies and second tier stocks augmented the overall performance.

Alfalah GHP Islamic Value Fund



Assets Allocation

Asset Allocation
(as at 30 June 2019)



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager’s report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400, Pakistan,
Tel: (92-21) 111-113-500
Fax: (92-21) 34328027 - 23
URL: www.cdcpk.com
Email: info@cdcpk.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC 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 Islamic Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 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.

Badinuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019





SHARIAH REVIEW REPORT ALFALAH GHP ISLAMIC VALUE FUND

We, the Shariah Advisers of the Alfalah GHP Islamic Value Fund ('AGIVF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As a Shariah Advisors our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor of the Fund, we have checked following avenues presented to us by the Management in which AGIPF made Investment during the period from July 1, 2018 to June 30, 2019.

Investment Head	Investment Avenue
<i>Equity</i>	<i>Approved Shariah Compliant Equity Securities</i>
<i>Sukuk</i>	<i>Approved Shariah Compliant Sukuk</i>

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

In the Year 2017-18 Provision against Charity was made amounted to Rs. 33,967/-. During the Year 2018-19 the said provisioning after adjustment on the basis of final dividend purification rates amounted to Rs. 75,684/- based on respective Companies Annual Financial Statement. The same was available for disbursement to Charitable Institution. For the Year 2018-19 Provision against Charity is made amount to Rs. 160,658/- in respect of dividend purification, which is subject to final adjustment on the basis of respective Companies Annual Financial Statement for the year ended 2020.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Mufti Atta Ullah
Shariah Advisor

Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Value Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2019. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 25, 2019

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Value Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer note 5 to the financial statements)	
	<p>The investments constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 109.305 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2019 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and• Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		-----Rupees-----	
Assets			
Bank balances	4	30,802,407	57,494,182
Investments	5	109,305,215	229,678,807
Security deposits	6	2,600,000	2,600,000
Dividend, profit and other receivable	7	2,471,841	2,286,086
Receivable against sale of investments		-	770,548
Preliminary expenses and floatation cost	8	226,006	294,833
Total assets		145,405,469	293,124,456
Liabilities			
Payable to the Management Company	9	713,971	1,629,742
Payable to the Trustee	10	64,958	64,988
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	203,180	208,563
Accrued expenses and other liabilities	12	1,264,040	798,119
Total liabilities		2,246,149	2,701,412
Net assets attributable to the unit holders		<u>143,159,320</u>	<u>290,423,044</u>
Unit holders' fund (as per statement attached)		<u>143,159,320</u>	<u>290,423,044</u>
Contingencies and commitments	13		
		-----Number of units-----	
Number of units in issue		<u>1,601,042</u>	<u>2,888,902</u>
		----- (Rupees) -----	
Net asset value per unit		<u>89.4164</u>	<u>100.5306</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		For the year ended June 30, 2019	For the period from October 12, 2017 to June 30, 2018
Note	----- (Rupees) -----		
Income			
		7,867,153	7,864,156
Profit / mark-up income	14	(12,533,134)	(337,157)
Loss on sale of investments - net		6,817,668	4,449,020
Dividend income		(15,305,302)	(3,596,671)
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	<u>(13,153,615)</u>	<u>8,379,348</u>
Total (loss) / income			
Expenses			
Remuneration of the Management Company	9.1	4,277,481	4,391,011
Sindh sales tax on remuneration of the Management Company	9.2	556,558	570,835
Allocated expenses	9.3	213,866	140,608
Selling and marketing expenses	9.4	855,469	562,436
Remuneration of the Trustee	10.1	700,018	505,611
Sindh sales tax on remuneration of the Trustee	10.2	90,452	65,688
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11.1	203,180	208,563
Settlement and bank charges		337,939	478,309
Auditors' remuneration	15	572,325	626,375
Brokerage expenses		195,636	-
Amortisation of preliminary expenses and floatation cost		68,827	49,477
Printing and related costs		70,027	50,036
Annual listing fee		27,448	164,412
Shariah advisory fee		359,954	270,121
Charity expense		202,375	33,967
Bank charges		41,391	10,242
Provision for Sindh Workers' Welfare Fund		-	4,938
Total expenses		<u>8,772,946</u>	<u>8,132,629</u>
Net (loss) / income for the year / period before taxation		<u>(21,926,561)</u>	<u>246,719</u>
Taxation	17	-	-
Net (loss) / income for the year / period after taxation		<u><u>(21,926,561)</u></u>	<u><u>246,719</u></u>
Allocation of net income for the year			
Net income for the period after taxation		-	246,719
Income already paid on units redeemed		-	-
		<u>-</u>	<u>246,719</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	246,719
		<u>-</u>	<u>246,719</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	<u>For the year ended June 30, 2019</u>	<u>For the period from October 12, 2017 to June 30, 2018</u>
	----- (Rupees) -----	
Net (loss) / income for the year / period after taxation	(21,926,561)	246,719
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the year / period	<u>(21,926,561)</u>	<u>246,719</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019			For the period from October 12, 2017 to June 30, 2018		
	Capital Value	Undistributed income / (Accumulated loss)	Total	Capital Value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	290,176,325	246,719	290,423,044	-	-	-
Issuance of 798,134 (2018: 5,733,638 units)						
- Capital value (at net asset value per unit at the beginning of the year)	80,048,051	-	80,048,051	573,363,798	-	573,363,798
- Element of (loss) / income	(13,632,687)	-	(13,632,687)	7,941,212	-	7,941,212
Total proceeds on issuance of units	66,415,364	-	66,415,364	581,305,010	-	581,305,010
Redemption of 2,085,994 (2018: 2,844,736 units)						
- Capital value (at net asset value per unit at the beginning of the year)	209,212,682	-	209,212,682	284,473,597	-	284,473,597
- Element of (income) / loss	(18,141,907)	-	(18,141,907)	6,655,088	-	6,655,088
Total payments on redemption of units	191,070,775	-	191,070,775	291,128,685	-	291,128,685
Total comprehensive (loss) / income for the year / period	-	(21,926,561)	(21,926,561)	-	246,719	246,719
Final distribution for the year ended June 30, 2018 at Re. 0.236 per unit on July 02, 2018	(435,033)	(246,719)	(681,752)	-	-	-
Net assets at the end of the year	165,085,881	(21,926,561)	143,159,320	290,176,325	246,719	290,423,044
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		3,843,390			-	
- Unrealised (loss) / income		(3,596,671)			-	
		246,719			-	
Accounting income available for distribution						
- Relating to capital gains		-			246,719	
- Excluding capital gains		-			-	
		-			246,719	
Net loss for the year after taxation		(21,926,561)			246,719	
Final distribution for the year ended June 30, 2018 at Re. 0.236 per unit on July 02, 2018		(246,719)			-	
(Accumulated loss) / undistributed income carried forward		(21,926,561)			246,719	
(Accumulated loss) / Undistributed income carried forward						
- Realised (loss) / income		(6,621,259)			3,843,390	
- Unrealised loss		(15,305,302)			(3,596,671)	
		(21,926,561)			246,719	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		100.5306			-	
Net assets value per unit at the end of the year		89.4164			100.5306	

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019	For the period from October 12, 2017 to June 30, 2018
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year / period before taxation	(21,926,561)	246,719
Adjustments for:		
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	15,305,302	3,596,671
Amortisation of preliminary expenses and floatation cost	68,827	49,477
Provision for Sindh Workers' Welfare Fund	-	4,938
	<u>(6,552,432)</u>	<u>3,897,805</u>
Decrease / (increase) in assets		
Investments - net	105,068,290	(233,275,477)
Security deposits	-	(2,600,000)
Dividend, profit and other receivable	(185,755)	(2,286,086)
Receivable against sale of investments	770,548	(770,548)
Preliminary expenses and floatation cost	-	(344,310)
	<u>105,653,083</u>	<u>(239,276,421)</u>
(Decrease) / increase in liabilities		
Payable to the Management Company	(915,771)	1,629,742
Payable to the Trustee	(30)	64,988
Annual fee payable to the Securities and Exchange Commission of Pakistan	(5,383)	208,563
Accrued expenses and other liabilities	465,921	793,180
	<u>(455,263)</u>	<u>2,696,473</u>
Net cash generated from / (used in) operating activities	<u>98,645,388</u>	<u>(232,682,143)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units (net of refund of capital)	65,980,331	581,305,010
Amount paid against redemption of units	(191,070,775)	(291,128,685)
Dividend paid	(246,719)	-
Net cash (used in) / generated from financing activities	<u>(125,337,163)</u>	<u>290,176,325</u>
Net (decrease) / increase in cash and cash equivalents during the year / period	<u>(26,691,775)</u>	<u>57,494,182</u>
Cash and cash equivalents at beginning of the year / period	57,494,182	-
Cash and cash equivalents at end of the year / period	<u>4</u> <u>30,802,407</u>	<u>57,494,182</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Value Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on April 6, 2017 between Alfalah GHP Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as "Shariah Compliant Islamic Asset Allocation Scheme" pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation which the Fund aims to deliver mainly by investing in shariah compliant equity securities, shariah compliant government securities, cash and near cash instruments (GoP Ijarah Sukuk not exceeding 90 days maturity) which include cash in bank accounts of islamic banks and licensed islamic banking windows of conventional banks (excluding TDRs), secured / unsecured (listed and / or privately placed) Sukuks, shariah compliant spread transactions, certificates of modarba, certificates of musharika with financial institutions, placement of funds with financial institutions on the basis of murabaha, bai` Mu`ajjal, bai` salam or istisna, shariah compliant bank deposits, shariah compliant investment in real estate investment trust, investment outside Pakistan (shariah compliant), any other shariah compliant securities or instruments as permitted by the rules, the regulations and approved for investment by the SECP and the shariah advisor from time to time.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

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

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognized in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income (FVOCI) or (c) at fair value through profit or loss (FVTPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

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

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Amendments	Effective date (accounting periods beginning on or after)
IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.5 and 17)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments carried at "fair value through profit or loss" category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change as explained in note 2.2.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.2.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.5 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.

- Unrealised gains / (losses) arising on revaluation of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on bank deposits and Income on sukuk certificates is recognised on time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year

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

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
- In saving accounts	4.1	27,735,775	47,431,412
- In current accounts	4.2	3,066,632	10,062,770
		30,802,407	57,494,182

4.1 These accounts carry profit at rates ranging between 4.75% to 12.50% (2018: 3.72% to 6.5%) per annum.

4.2 This balance in current account is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	2019 ----- (Rupees) -----	2018 ----- (Rupees) -----
At fair value through profit or loss			
Listed equity securities	5.1	70,877,377	179,618,807
Sukuk certificates - listed	5.2	18,837,838	30,060,000
Sukuk certificates - unlisted	5.3	19,590,000	20,000,000
		109,305,215	229,678,807

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 01, 2018	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)	Total market value of investments	Net assets of the Fund	
	----- Number of shares -----					----- Rupees -----					
Commercial banks											
Meezan Bank Limited	64,500	11,500	9,345	43,500	41,845	2,933,135	3,647,210	714,075	3.34%	2.55%	-
Cement											
Cherat Cement Company Limited	9,000	-	-	9,000	-	-	-	-	-	-	-
D. G. Khan Cement Company Limited	47,500	26,500	-	67,000	7,000	696,962	395,780	(301,182)	0.36%	0.28%	-
Fauji Cement Company Limited	123,000	-	-	123,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	800	8,500	-	3,300	6,000	500,671	315,180	(185,491)	0.29%	0.22%	-
Lucky Cement Limited	19,100	7,100	-	18,500	7,700	3,762,943	2,929,619	(833,324)	2.68%	2.05%	-
Maple Leaf Cement Factory Limited	60,500	27,500	-	78,500	9,500	432,568	226,955	(205,613)	0.21%	0.16%	-

Name of the Investee Company	As at July 01, 2018	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)	Total market value of investments	Net assets of the Fund	
----- Number of shares -----						----- Rupees -----					
Power generation & distribution											
Hub Power Company Limited	147,500	33,372	-	88,500	92,372	7,847,840	7,274,295	(573,545)	6.66%	5.08%	-
Kot Addu Power Company Limited	130,500	11,500	-	97,500	44,500	2,398,772	1,618,910	(779,862)	1.48%	1.13%	-
Oil & gas marketing companies											
Pakistan State Oil Company Limited	18,700	2,500	3,300	11,200	13,300	3,394,026	2,256,079	(1,137,947)	2.06%	1.58%	-
Sui Northern Gas Pipelines Limited	29,100	20,500	-	13,000	36,600	3,194,185	2,543,334	(650,851)	2.33%	1.78%	-
Oil & gas exploration companies											
Pakistan Petroleum Limited	110,600	36,800	13,065	108,500	51,965	9,605,216	7,505,305	(2,099,911)	6.87%	5.24%	-
Oil and Gas Development Company Limited	147,000	23,300	-	105,800	64,500	9,899,462	8,481,105	(1,418,357)	7.76%	5.92%	-
Pakistan Oilfields Limited	25,850	1,700	3,790	20,200	11,140	6,122,378	4,521,615	(1,600,763)	4.14%	3.16%	-
Mari Petroleum Company Limited	6,520	500	536	3,460	4,096	5,521,339	4,134,216	(1,387,124)	3.78%	2.89%	-
Engineering											
International Industries Limited	18,600	2,500	-	19,700	1,400	229,096	107,898	(121,198)	0.10%	0.08%	-
International Steels Limited	40,000	1,500	-	40,000	1,500	140,720	59,565	(81,155)	0.05%	0.04%	-
Amreli Steels Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
Fertilizer											
Engro Corporation Limited	53,400	9,600	3,270	35,200	31,070	8,868,788	8,252,192	(616,596)	7.55%	5.76%	-
Fauji Fertilizer Company Limited	77,500	24,500	-	65,500	36,500	3,641,532	3,182,800	(458,732)	2.91%	2.22%	-
Engro Fertilizers Limited	193,000	48,000	-	160,000	81,000	5,956,475	5,181,570	(774,905)	4.74%	3.62%	-
Dawood Hercules Corporation Limited	-	1,600	-	1,600	-	-	-	-	-	-	-
Chemical											
Engro Polymer and Chemicals Limited	56,000	95,000	-	44,000	107,000	3,559,493	2,884,720	(674,773)	2.64%	2.02%	-
Textile composite											
Nishat Mills Limited	-	44,800	-	19,300	25,500	3,613,517	2,380,170	(1,233,347)	2.18%	1.66%	-
Interloop Limited	-	31,931	-	14,000	17,931	826,619	793,805	(32,814)	0.73%	0.55%	-
Automobile assembler											
Millat Tractors Limited	-	1,240	-	440	800	910,206	689,904	(220,302)	0.63%	0.48%	-
Pharmaceuticals											
The Searle Company Limited	-	4,300	105	3,600	805	234,273	117,981	(116,292)	0.11%	0.08%	-
Technology & communication											
Systems Limited	-	13,500	850	-	14,350	1,382,500	1,377,170	(5,330)	1.26%	0.96%	-
Total as at June 30, 2019						85,672,717	70,877,377	(14,795,340)	64.86%	49.51%	
Total as at June 30, 2018						182,867,978	179,618,807	(3,249,171)	78.20%	61.83%	

5.1.1 Investments include shares having a market value (in aggregate) amounting to Rs 21.362 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee company	2019		2018	
	Number of shares	Market value	Number of shares	Market value
	(Rupees)		(Rupees)	
Engro Corporation Limited	19,900	5,285,440	19,900	6,245,814
Pakistan Petroleum Limited	25,750	3,719,073	25,750	5,533,675
Oil and Gas Development Company Limited	32,500	4,273,425	32,500	5,057,650
Pakistan Oilfields Limited	8,300	3,368,887	8,300	5,575,857
Pakistan State Oil Limited	6,150	1,043,225	6,150	1,957,607
Kot Addu Power Company Limited	36,250	1,318,775	66,250	3,571,538
MCB Bank Limited	-	-	27,000	2,206,440
Meezan Bank Limited	27,000	2,353,320	-	-
	<u>155,850</u>	<u>21,362,145</u>	<u>185,850</u>	<u>30,148,580</u>

5.2 Sukuk certificates - listed

Description	As at July 01, 2018	Purchased during the year	Disposed / matured during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of	
					Carrying value	Market value	Unrealised loss	Total market value of investments	Net assets of the Fund
----- Number of certificates -----					----- Rupees -----				
Dawood Hercules Corporation Limited (Note 5.2.1)	300	-	90	210	18,937,800	18,837,838	(99,962)	17.23%	13.16%
Total as at June 30, 2019					<u>18,937,800</u>	<u>18,837,838</u>	<u>(99,962)</u>		
Total as at June 30, 2018					<u>30,407,500</u>	<u>30,060,000</u>	<u>(347,500)</u>		

5.2.1 These certificates having a face value of Rs. 100,000 each.

5.2.2 The terms and conditions of these sukuk certificates are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
Dawood Hercules Corporation Limited	AA	6 years	Quarterly	November 6, 2022	3 months Kibor + 1.00%

5.3 Sukuk certificates - unlisted

Description	As at July 01, 2018	Purchased during the year	Disposed / matured during the year	As at June 30, 2019	As at June 30, 2019			Market value as a percentage of	
					Carrying value	Market value	Unrealised loss	Total market value of investments	Net assets of the Fund
----- Number of certificates -----					----- Rupees -----				
International Brands Limited (Note 5.3.1)	200	-	-	200	20,000,000	19,590,000	(410,000)	17.92%	13.68%
Hub Power Company Limited Sukuk (Note 5.3.1)	-	80	80	-	-	-	-	-	-
Total as at June 30, 2019					<u>20,000,000</u>	<u>19,590,000</u>	<u>(410,000)</u>		
Total as at June 30, 2018					<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>		

5.3.1 These certificates having a face value of Rs. 100,000 each.

5.3.2 The terms and conditions of these sukuk certificates are as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
International Brands Limited	AA	4 years	Annually	November 21, 2021	12 months Kibor + 0.50 %

5.4 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

Note **2019** **2018**
----- (Rupees) -----

Market value of investments	109,305,215	229,678,807
Less: carrying value of investments	(124,610,517)	(233,275,478)
	<u>(15,305,302)</u>	<u>(3,596,671)</u>

6 SECURITY DEPOSITS

Security deposits with:

- Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
- National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	<u>2,600,000</u>	<u>2,600,000</u>

7 DIVIDEND, PROFIT AND OTHER RECEIVABLE

Profit receivable on:

Bank balances		266,284	499,414
Sukuk certificates		1,944,503	1,155,407
Advance tax	7.1	238,640	238,640
Dividend receivable		22,414	392,625
		<u>2,471,841</u>	<u>2,286,086</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs 0.238 million (2018: Rs 0.238 million)

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PRELIMINARY EXPENSES AND FLOATATION COST **Note** **2019** **2018**
----- (Rupees) -----

At the beginning of the year		294,833	-
Preliminary expenses and floatation cost incurred		-	344,310
Amortisation during the year / period		(68,827)	(49,477)
At the end of the year	8.1	<u>226,006</u>	<u>294,833</u>

8.1 Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations, 2008.

9 PAYABLE TO THE MANAGEMENT COMPANY **Note** **2019** **2018**
----- Rupees -----

Management remuneration payable	9.1	239,733	520,240
Sindh sales tax payable on management remuneration	9.2	31,159	67,637
Preliminary expenses and floatation cost payable		-	344,310
Front end load payable		16,390	-
Payable against allocated expenses	9.3	85,337	139,510
Payable against selling and marketing expenses	9.4	341,352	558,045
		<u>713,971</u>	<u>1,629,742</u>

- 9.1 The Management Company has charged remuneration at the rate of 2% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2 During the year, an amount of Rs. 0.557 million (2018: Rs. 0.571 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.593 million (2018: Rs. 0.503 million) has been paid to the Management Company which acts as a collecting agent
- 9.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the Management Company continued to charge expenses at the rate 0.1% of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 9.4 The SECP has allowed the asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the Fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund at the rate of 0.4% of the net assets of the Fund being lower than actual expenses incurred.

	Note	2019	2018
-----Rupees-----			
10 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	10.1	57,567	57,548
Sindh sales tax payable on trustee remuneration	10.2	7,391	7,440
		<u>64,958</u>	<u>64,988</u>

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

Average net asset value	Tariff per annum
Up to Rs 1 billion	Rs 0.7 million or 0.20% p.a. of net assets whichever is higher
Over Rs 1 billion	Rs 2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion

- 10.2 During the year, an amount of Rs 0.0945 million (2018: Rs. 0.0657 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.091 million (2018: Rs. 0.058 million) was paid to the Trustee which acts as a collecting agent.

	Note	2019	2018
-----Rupees-----			
11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable	11.1	<u>203,180</u>	<u>208,563</u>

- 11.1 In accordance with the NBFC Regulations, a collective investment scheme classified as a asset allocation scheme is required to pay to the SECP an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.

	Note	2019	2018
-----Rupees-----			
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		387,200	384,125
Printing charges		81,018	34,478
Brokerage payable		53,738	34,197
Settlement charges		10,747	17,678
Shariah advisory fee		540,075	180,121
Front end load payable		-	107,261
Withholding tax payable		23,571	56
Capital value tax payable		2,076	1,225
Provision for Sindh Workers' Welfare Fund	12.1	4,938	4,938
Charity payable		160,677	34,040
		<u>1,264,040</u>	<u>798,119</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from October 12, 2017 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re 0.0031 (2018: Re 0.0017) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	For the year ended June 30, 2019	For the period from October 12, 2017 to June 30, 2018
	-----Rupees-----	
14 PROFIT / MARK-UP INCOME		
Profit / mark-up income on:		
- Bank balances	2,877,328	5,570,312
- Sukuk certificates	4,989,825	2,293,844
	<u>7,867,153</u>	<u>7,864,156</u>
15 AUDITORS' REMUNERATION		
Annual audit fee	250,000	250,000
Review and other certifications	225,000	245,000
Out of pocket expenses	54,931	59,375
Shariah audit fee	-	30,000
Sindh sales tax on services	42,394	42,000
	<u>572,325</u>	<u>626,375</u>

16 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 3.69% which includes 0.41% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance 2001.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

18.1 Unit Holders' Fund

		2019								
As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	As at June 30, 2019	As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2019	
(Units)					(Rupees)					

Unit holder holding 10% or more Units

Barrett Hodgson Pakistan (Private) Limited	18.1.1	499,498	-	1,056	-	500,554	47,323,457	-	105,937	-	44,757,691
Muhammad Tanveer	18.1.1	94,930	93,940	223		189,093	9,543,413	9,500,000	22,404		16,908,018

For the period from October 12, 2017 to June 30, 2018										
As at October 12, 2017	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	As at June 30, 2018	As at October 12, 2017	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2018	
(Units)					(Rupees)					

Unit holder holding 10% or more Units

Barret Hodgson Pakistan (Private) Limited	-	499,498	-	-	499,498	-	50,000,000	-	-	47,323,457
Netsol Employees Provident Fund	-	470,737	-	-	470,737	-	25,000,000	-	-	50,214,782

18.1.1 This reflects the position of related party / connected person as at June 30, 2019.

18.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

	For the year ended June 30, 2019	For the period from October 12, 2017 to June 30, 2018
Remuneration of the Management Company	4,277,481	4,391,011
Sindh sales tax on remuneration of the Management Company	556,558	570,835
Allocated expenses	213,866	140,608
Selling and marketing expenses	855,469	562,436
Sales load	407,907	5,132,656

Bank Alfalah Limited

Profit on bank balances	137,735	241,568
Bank charges	22,159	7,642
Sales load payable	1,560,088	3,977,674

Alfalah GHP Money Market Fund

Sukuks sold	8,000,000	-
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	For the year ended June 30, 2019	For the period from October 12, 2017 to June 30, 2018
Other related party	-----Rupees -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	700,018	505,611
Sindh sales tax on remuneration of the Trustee	90,452	65,688
Settlement charges	5,554	17,637
	2019	2018
	-----Rupees -----	
18.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	239,733	520,240
Sindh sales tax payable on management remuneration	31,159	67,637
Payable against allocated expenses	85,337	139,510
Payable against marketing and selling expenses	341,352	558,045
Sales load payable	16,390	-
Preliminary expenses and floatation cost payable to the management company	-	344,310
Bank Alfalah Limited		
Bank balances	3,066,636	15,914,076
Profit receivable on bank balances	21,991	20,852
Sales load payable	-	107,261
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	57,567	57,548
Sindh sales tax payable on Trustee remuneration	7,391	7,440
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the Statement of Assets and Liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Bank balances	30,802,407	-	30,802,407
Investments	-	109,305,215	109,305,215
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	2,233,201	-	2,233,201
	<u>35,635,608</u>	<u>109,305,215</u>	<u>144,940,823</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	----- Rupees -----		
Financial liabilities			
Payable to the Management Company	-	713,971	713,971
Payable to the Trustee	-	64,958	64,958
Accrued expenses and other liabilities	-	1,233,455	1,233,455
	<u>-</u>	<u>2,012,384</u>	<u>2,012,384</u>

Particulars	2018		
	At amortised cost	At fair value through profit or loss	Total
----- Rupees -----			
Financial assets			
Bank balances	57,494,182	-	57,494,182
Investments	-	229,678,807	229,678,807
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	2,047,446	-	2,047,446
Receivable against sale of investment	770,548	-	770,548
	<u>62,912,176</u>	<u>229,678,807</u>	<u>292,590,983</u>

Particulars	2018		
	At fair value through profit or loss	At amortised cost	Total
----- Rupees -----			
Financial liabilities			
Payable to the Management Company	-	1,629,742	1,629,742
Payable to the Trustee	-	64,988	64,988
Accrued expenses and other liabilities	-	791,900	791,900
	<u>-</u>	<u>2,486,630</u>	<u>2,486,630</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, profit rate risk and price risk.

20.1.1 Currency risk

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

20.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's interest bearing financial instruments is as follows:

Variable rate instruments (financial assets)	2019	2018
	----- Rupees -----	
Sukuk certificates	38,427,838	50,060,000
Bank balances	<u>30,802,407</u>	<u>57,494,182</u>
	<u>69,230,245</u>	<u>107,554,182</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.02211 million (2018: Rs 0.02 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at the reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2019 can be determined as follows:

Particulars	2019					
	Effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----						
Financial assets						
Bank balances	4.75 %-12.50%	30,802,407	-	-	-	30,802,407
Investments	6.47 %- 11.03%	18,837,838	19,590,000	-	70,877,377	109,305,215
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	2,233,201	2,233,201
		49,640,245	19,590,000	-	75,710,578	144,940,823
Financial liabilities						
Payable to the Management Company		-	-	-	713,971	713,971
Payable to the Trustee		-	-	-	64,958	64,958
Accrued expenses and other liabilities		-	-	-	1,233,455	1,233,455
		-	-	-	2,012,384	2,012,384
On-balance sheet gap		49,640,245	19,590,000	-	73,698,194	142,928,439
Total profit rate sensitivity gap		49,640,245	19,590,000	-	73,698,194	142,928,439
Cumulative profit rate sensitivity gap		49,640,245	69,230,245	69,230,245		

Particulars	2018					
	Effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----						
Financial assets						
Bank balances	3.72 %- 6.5%	57,494,182	-	-	-	57,494,182
Investments	6.98% - 7.41%	30,060,000	20,000,000	-	179,618,807	229,678,807
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	2,047,446	2,047,446
Receivable against sale of investments		-	-	-	770,548	770,548
		87,554,182	20,000,000	-	185,036,801	292,590,983
Financial liabilities						
Payable to the Management Company		-	-	-	1,629,742	1,629,742
Payable to the Trustee		-	-	-	64,988	64,988
Accrued expenses and other liabilities		-	-	-	791,900	791,900
		-	-	-	2,486,630	2,486,630
On-balance sheet gap		87,554,182	20,000,000	-	182,550,171	290,104,353
Total profit rate sensitivity gap		87,554,182	20,000,000	-	182,550,171	290,104,353
Cumulative profit rate sensitivity gap		87,554,182	107,554,182	107,554,182		

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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, 2019. The analysis is based on the assumption that the PSX index had increased or decreased by 1%, 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 the index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regard to the historical volatility of the index of the past three years.

At June 30, 2019, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

<i>Effect due to increase / decrease in KSE 100 index</i>	2019	2018
	----- (Rupees) -----	
Investment and net assets	708,774	1,796,188
Income statement	708,774	1,796,188

21.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	30,802,407	-	-	-	30,802,407
Investments	70,877,377	-	-	38,427,838	109,305,215
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	2,233,201	-	-	-	2,233,201
	106,512,985	-	-	38,427,838	144,940,823
Financial liabilities					
Payable to the Management Company	713,971	-	-	-	713,971
Payable to the Trustee	64,958	-	-	-	64,958
Accrued expenses and other liabilities	1,233,455	-	-	-	1,233,455
	2,012,384	-	-	-	2,012,384
Net assets	104,500,601	-	-	38,427,838	142,928,439
----- Rupees -----					
2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	57,494,182	-	-	-	57,494,182
Investments	179,618,807	-	-	50,060,000	229,678,807
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	2,047,446	-	-	-	2,047,446
Receivable against sale of investments	770,548	-	-	-	770,548
	242,530,983	-	-	50,060,000	292,590,983

2018	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
-----Rupees-----					
Financial liabilities					
Payable to the Management Company	1,629,742	-	-	-	1,629,742
Payable to the Trustee	64,988	-	-	-	64,988
Accrued expenses and other liabilities	791,900	-	-	-	791,900
	2,486,630	-	-	-	2,486,630
Net assets	<u>240,044,353</u>	<u>-</u>	<u>-</u>	<u>50,060,000</u>	<u>290,104,353</u>

21.3 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

21.3.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 was as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	-----Rupees-----		-----Rupees-----	
Bank balances	30,802,407	30,802,407	57,494,182	57,494,182
Investments	109,305,215	38,427,838	229,678,807	50,060,000
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend, profit and other receivable	2,233,201	2,233,201	2,047,446	2,047,446
Receivable against sale of investments	-	-	770,548	770,548
	<u>144,940,823</u>	<u>74,063,446</u>	<u>292,590,983</u>	<u>112,972,176</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 70.877 (2018: Rs. 179.618 million) million are not exposed to credit risk.

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.

No financial assets were considered to be past due or impaired at June 30, 2019.

21.3.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Name of Bank	Rating agency	Rating	2019	2018
			Percentage of total bank balance	
Bank Alfalah Limited	PACRA	A1+	9.96%	27.74%
BankIslami Pakistan Limited	JCR-VIS	A1+	2.25%	72.24%
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A1+	87.76%	0.02%
Meezan Bank Limited	JCR-VIS	A1+	0.03%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

21.3.3 Investments

The Fund held investment in sukuk certificates at June 30, 2019 with entities having following credit ratings:

Sukuk certificates by rating category	Rating agency	Rating	2019	2018
International Brands Limited	JCR-VIS	AA	50.98%	39.95%
Dawood Hercules Corporation Limited	JCR-VIS	AA	49.02%	60.05%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2019.

21.3.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of Fund's concentration of credit risk of financial instruments is as follows:

	2019		2018	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable) [ratings disclosed in note 22.3.2]	31,068,691	41.95%	57,993,596	51.33%
Investments (including profit receivable) [ratings disclosed in 22.3.3]	40,372,341	54.51%	51,215,407	45.34%
Dividend receivable	22,414	0.03%	392,625	0.35%
Receivable against sale of investments	-	0.00%	770,548	0.68%
National Clearing Company of Pakistan Limited (security deposit)	2,500,000	3.38%	2,500,000	2.21%
Central Depository Company of Pakistan Limited (security deposit)	100,000	0.14%	100,000	0.09%
	<u>74,063,446</u>	<u>100.00%</u>	<u>112,972,176</u>	<u>100.00%</u>

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

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

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019 and June 30, 2018, the Fund held the following assets measured at fair values:

	2019			Total
	Level 1	Level 2	Level 3	
	----- Rupees -----			
Financial assets 'at fair value through profit or loss'				
Listed equity securities	70,877,377	-	-	70,877,377
Sukuk certificates	-	38,427,838	-	38,427,838
	<u>70,877,377</u>	<u>38,427,838</u>	<u>-</u>	<u>109,305,215</u>

	2018			Total
	Level 1	Level 2	Level 3	
Rupees				
Financial assets 'at fair value through profit or loss'				
Listed equity securities	179,618,807	-	-	179,618,807
Sukuk certificates	-	50,060,000	-	50,060,000
	<u>179,618,807</u>	<u>50,060,000</u>	<u>-</u>	<u>229,678,807</u>

During the year ended June 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders 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. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

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

The Fund Manager / Investment Committee members and the Chief Executive of the Management 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 as 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's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

24 GENERAL

Figures have been rounded off to the nearest rupee.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	107	922,199	82,508,511	58%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	2	127,192	11,379,805	8%
Others	3	551,652	49,271,004	34%
	112	1,601,043	143,159,320	100%

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	137	1,231,809	123,834,507	43%
Associated Co./ Directors	-	-	-	0%
Retirement & Other Funds	2	567,186	57,019,550	20%
Insurance Co.	-	-	-	0%
Others	7	1,089,907	109,568,995	38%
	146	2,888,902	290,423,053	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
Foundation Securities Limited	9%
Ismail Iqbal Securities (Pvt.) Limited	8%
Inter Market Securities Limited	8%
Taurus Securities Limited	6%
Next Capital Limited	6%
Fortune Securities Limited	6%
EFG Hermes Pakistan Limited	6%
Shajar Capital Pakistan Private Limited	5%
Optimus Capital Management (Pvt) Limited	5%
Elixir Securities Pakistan (Pvt.) Limited	5%
	30 June 2018
	%
Arif Habib Limited	14%
Alfalah Securities (Private) Limited	10%
BIPL Securities	10%
JS Global Capital Limited	7%
Topline Securities (Pvt) Limited	6%
Elixir Securities Pakistan (Pvt.) Limited	6%
Nael Capital Private Limited	6%
IGI Finex Securities Limited	5%
BMA Capital Management Limited	5%
Inter Market Securities Limited	5%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGIVF

	30 June 2019 (Rupees in '000)	30 June 2018 (Rupees in '000)
Net Assets	143,159	290,423
NAV per unit	89.4164	100.5300
Selling price per unit	92.4476	103.9386
Redemption price per unit	89.4164	100.5300
Highest selling price per unit	106.3914	110.0563
Highest redemption price per unit	102.9030	106.4477
Lowest selling price per unit	88.3010	99.7689
Lowest redemption price per unit	88.3010	96.4976
Total interim distribution per unit	N/A	Nil
Interim distribution date	N/A	N/A
Final distribution per unit	N/A	0.236
Final distribution date	N/A	02 Jul,2018
Annualized returns	-10.80%	0.53%
Income distribution	N/A	0.24%
Weighted avg. portfolio duration	N/A	N/A

Return since inception is -6.14%

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

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Hub Power Company Limited							
EOGM	20-Aug-18	Approval of Annual Accounts of the Company	143,500	0.001%	✓		
		Declaration of Dividend					
The Kot Addu Power Company Limited							
EOGM	5-Sep-19	Approval of Annual Accounts of the Company	106,500	0.01%	✓		
		Declaration of Dividend					





Alfalah
Capital Preservation Fund II

FUND INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	Ahmed & Qazi Advocates & Legal Consultants 402,403,404,417 Clifton Centre, Clifton, Karachi
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah Capital Preservation Fund II

Annual Fund Manager`s Report

Type of Fund: Open-end Scheme

Category of Fund: Capital Protected

Investment Objective

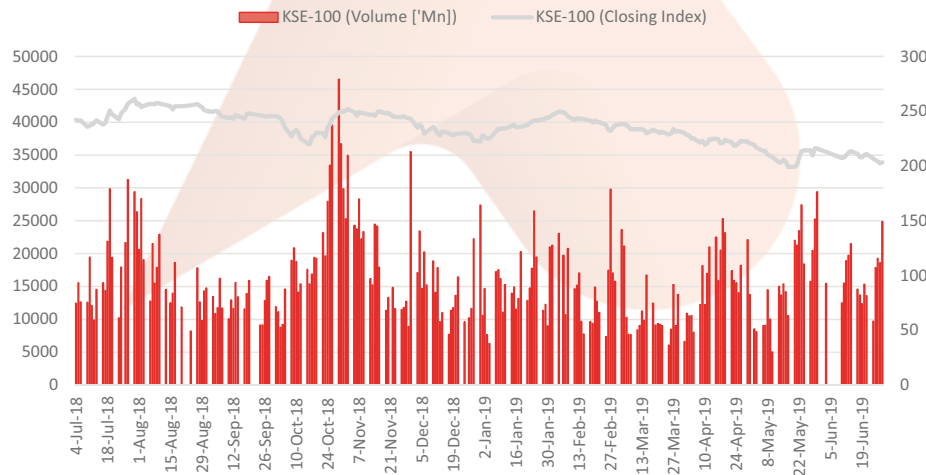
The objective of Alfalah Capital Preservation Fund II is to provide capital preservation to investors upon maturity by dynamically allocating a portion of the Trust Property in fixed income instruments in capital protection segment, and remaining in equity market as Investment segment or any other SECP permitted investments to provide investors with better returns.

Accomplishment of Objective

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

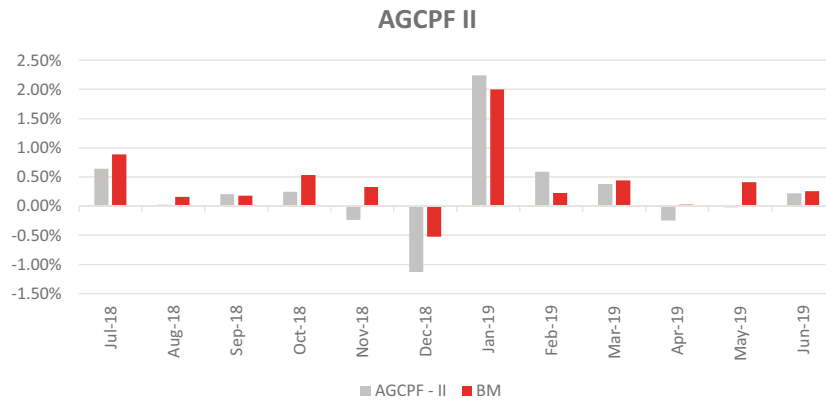
Equity Market Review

The KSE-100 index closed FY19 with a negative return for the second consecutive year, portraying a decline of 19%. The performance of the outgoing fiscal year is in stark contrast to the last 10-Yr performance of the benchmark index, which has depicted an average positive return of 19%. Key reasons for the negative performance include: (i) Macro-economic concerns including ballooning twin deficits, declining FOREX reserves, depreciation of the PKR against the greenback, aggravating inflationary pressures, monetary tightening, and slow-down in GDP growth momentum. (ii) Crippling corporate profitability (-4.3%YoY in 9MFY19) primarily owing to aforementioned macro-economic concerns. (iii) Uncertainty regarding availing a bailout package from the IMF contributed to dampening of the investment climate. (iv) Significant foreign funds' outflow (USD356mn during FY19) continued for the fourth consecutive year which we attribute to weakening of the local currency. Going forward, we expect that investors will return to the market as clarity on many macro-economic indicators and IMF bailout program has emerged which will support the sentiment of the market players. With the decline in the market, valuations of index heavy sectors (Banks and E&Ps) has also opened up that will encourage value hunters to return to the bourse.



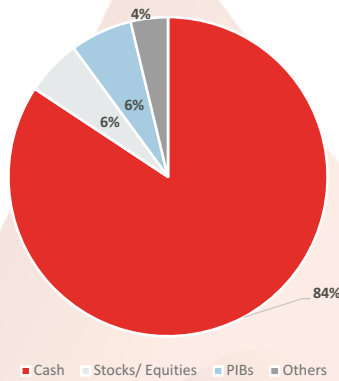
Fund Performance

For the year ended June 30 2019, the fund posted a return 2.91% against the benchmark of 5.01%.



Asset Allocation

**Asset Allocation
(as at 30 June 2019)**



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

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

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**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) 34326021 - 23
URL: www.cdc-pakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH CAPITAL PRESERVATION FUND II

**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 Capital Preservation Fund II (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah Capital Preservation Fund II

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah Capital Preservation Fund II (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter paragraph

We draw attention to note 1.6 to the annexed financial statements which highlights that the annexed financial statements are not prepared on going concern basis as the Fund will mature on May 11, 2020 in accordance with the constitutive documents of the Fund.

Our opinion is not qualified in respect of the aforementioned matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	The investments and bank balances constitute the most significant component of the NAV. The investments of the Fund as at June 30, 2019 amounted to Rs 126.342 million and bank balances aggregated to Rs 891.184 million.	Our audit procedures included the following: <ul style="list-style-type: none">• Tested the design and operating effectiveness of the key controls for valuation of investments;• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the

S. No.	Key Audit Matter	How the matter was addressed in our audit
	The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high risk area and therefore we considered this as a key audit matter.	<p>books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</p> <ul style="list-style-type: none"> • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

Chartered Accountants

Karachi

Date: September 26, 2019

ALFALAH CAPITAL PRESERVATION FUND II
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019

	Note	2019	2018
		----- (Rupees) -----	
Assets			
Bank balances	4	891,184,385	933,283,999
Investments	5	126,342,117	185,220,443
Security deposits	6	2,600,000	2,600,000
Dividend, profit and other receivable	7	12,009,733	4,047,664
Receivable against sale of investments	8	25,337,224	-
Preliminary expenses and floatation cost	9	2,150,666	4,650,695
Total assets		1,059,624,125	1,129,802,801
Liabilities			
Payable to the Management Company	10	4,190,891	9,679,028
Payable to the Trustee	11	125,573	136,265
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	12	828,624	118,642
Accrued and other liabilities	13	5,302,605	1,089,421
Total liabilities		10,447,693	11,023,356
Net assets attributable to the unit holders		<u>1,049,176,432</u>	<u>1,118,779,445</u>
Unit holders' fund (as per the statement attached)		<u>1,049,176,432</u>	<u>1,118,779,445</u>
Contingencies and commitments	14	----- (Number of units) -----	
Number of units in issue		<u>10,500,192</u>	<u>11,209,583</u>
		----- (Rupees) -----	
Net asset value per unit		<u>99.9197</u>	<u>99.8056</u>

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II
INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

		For the year ended June 30, 2019	For the period from May 11, 2018 to June 30, 2018
	Note	(Rupees)	
Income			
Profit / mark-up income	15	89,471,165	9,983,998
Dividend income		9,193,385	302,750
Back end load		4,865,992	5,263
Loss on sale of investments - net		(31,378,776)	(3,813,184)
Unrealised loss on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	(9,847,395)	(4,332,064)
Total income		<u>62,304,371</u>	<u>2,146,763</u>
Expenses			
Remuneration of the Management Company	10.1	16,573,095	2,372,813
Sindh sales tax on remuneration of the Management Company	10.2	2,154,505	308,466
Allocated expenses	10.3	1,104,820	158,181
Selling and marketing expenses	10.4	3,495,076	308,585
Remuneration of the Trustee	11.1	1,436,332	205,646
Sindh sales tax on remuneration of the Trustee	11.2	186,724	26,734
Annual fee to the Securities and Exchange Commission of Pakistan	12.1	828,624	118,642
Annual listing fee		27,457	-
Bank charges		10,259	7,394
Auditors' remuneration	16	572,328	156,167
Securities transaction cost	17	1,190,088	323,482
Amortisation of preliminary expenses and floatation cost	9	2,500,029	349,305
Printing and related costs		70,212	9,798
Provision for Sindh Workers' Welfare Fund	13.1	643,097	-
Total expenses		<u>30,792,646</u>	<u>4,345,213</u>
Net income / (loss) for the year / period before taxation		<u>31,511,725</u>	<u>(2,198,450)</u>
Taxation	19	-	-
Net income / (loss) for the year / period after taxation		<u><u>31,511,725</u></u>	<u><u>(2,198,450)</u></u>
Allocation of net income for the year / period			
Net income for the year / period after taxation		31,511,725	-
Income already paid on units redeemed		(1,456,008)	-
		<u>30,055,717</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		<u>30,055,717</u>	<u>-</u>
		<u><u>30,055,717</u></u>	<u><u>-</u></u>

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

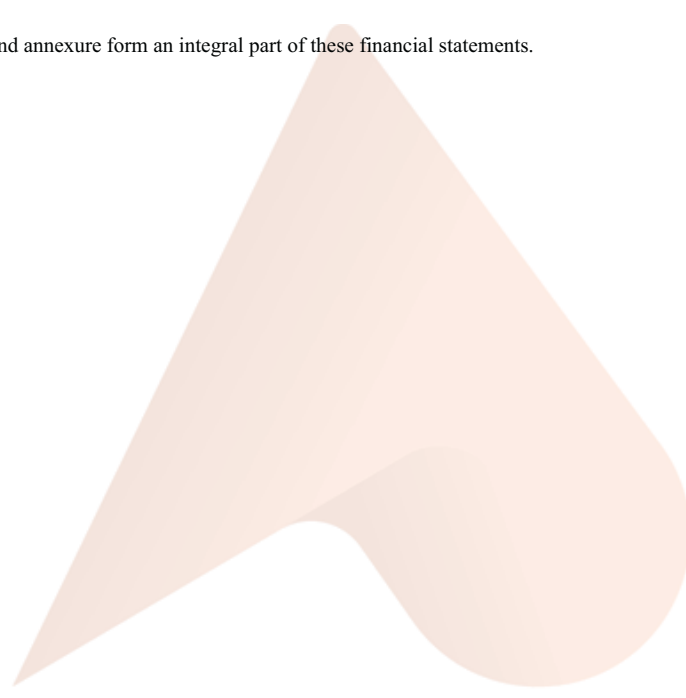
Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019	For the period from May 11, 2018 to June 30, 2018
	----- (Rupees) -----	
Net income / (loss) for the year / period after taxation	31,511,725	(2,198,450)
Other comprehensive income for the year / period	-	-
Total comprehensive income / (loss) for the year / period	<u>31,511,725</u>	<u>(2,198,450)</u>

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.



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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019			For the period from May 11, 2018 to June 30, 2018			
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total	
	----- (Rupees) -----			----- (Rupees) -----			
Net assets at the beginning of the year / period	1,120,977,895	(2,198,450)	1,118,779,445	-	-	-	
Issuance of 248,492 units (2018: 11,210,637 units)							
- Capital value (at net asset value per unit at the beginning of the year)	24,800,922	-	24,800,922	1,121,063,700	-	1,121,063,700	
- Element of income	28,353	-	28,353	19,459	-	19,459	
Total proceeds on issuance of units	24,829,275	-	24,829,275	1,121,083,159	-	1,121,083,159	
Redemption of 957,883 units (2018: 1,054 units)							
- Capital value (at net asset value per unit at the beginning of the year)	95,602,087	-	95,602,087	105,426	-	105,426	
- Element of loss / (income)	332,883	1,456,008	1,788,891	(162)	-	(162)	
Total payments on redemption of units	95,934,970	1,456,008	97,390,978	105,264	-	105,264	
Total comprehensive income / (loss) for the year	-	31,511,725	31,511,725	-	(2,198,450)	(2,198,450)	
Final distribution during the year (Date: June 30, 2019 @ Rs. 2.7852 per unit)	-	(28,553,035)	(28,553,035)	-	-	-	
Net assets at the end of the year / period	<u>1,049,872,200</u>	<u>(695,768)</u>	<u>1,049,176,432</u>	<u>1,120,977,895</u>	<u>(2,198,450)</u>	<u>1,118,779,445</u>	
	(Rupees)			(Rupees)			
Accumulated loss brought forward							
- Realised income		2,133,614			-		
- Unrealised loss		(4,332,064)			-		
		<u>(2,198,450)</u>			<u>-</u>		
Accounting income available for distribution							
- Relating to capital gains		-			-		
- Excluding capital gains		30,055,717			-		
		<u>30,055,717</u>			<u>-</u>		
Net loss for the year / period after taxation		-			(2,198,450)		
Final distribution during the year (Date: June 30, 2019 @ Rs. 2.7852 per unit)		(28,553,035)			-		
Accumulated loss carried forward		<u>(695,768)</u>			<u>(2,198,450)</u>		
Accumulated loss carried forward							
- Realised income		9,151,627			2,133,614		
- Unrealised loss		(9,847,395)			(4,332,064)		
		<u>(695,768)</u>			<u>(2,198,450)</u>		
		(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year / period			<u>99.8056</u>			<u>-</u>	
Net asset value per unit at the end of the year / period			<u>99.9197</u>			<u>99.8056</u>	

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019	For the period from May 11, 2018 to June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	31,511,725	(2,198,450)
Adjustments for:		
Amortisation of preliminary expenses and floatation cost	2,500,029	349,305
Unrealised loss on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net	9,847,395	4,332,064
Provision for Sindh Workers' Welfare Fund	643,097	-
	44,502,246	2,482,919
(Increase) / decrease in assets		
Investments-net	49,030,931	(189,552,507)
Dividend, profit and other receivable	(7,962,069)	(4,047,664)
Security deposits	-	(2,600,000)
Receivable against sale of investments	(25,337,224)	-
Preliminary expenses and floatation cost	-	(5,000,000)
	15,731,638	(201,200,171)
Increase / (decrease) in liabilities		
Payable to the Management Company	(5,488,137)	9,679,028
Payable to the Trustee	(10,692)	136,265
Payable to the Securities and Exchange Commission of Pakistan	709,982	118,642
Accrued and other liabilities	3,570,087	1,089,421
	(1,218,760)	11,023,356
Net cash generated from / (used in) operating activities	59,015,124	(187,693,896)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	24,829,275	1,121,083,159
Amount paid against redemption of units	(97,390,978)	(105,264)
Dividend Paid	(28,553,035)	-
Net cash (used in) / generated from financing activities	(101,114,738)	1,120,977,895
Net (decrease) / increase in cash and cash equivalents during the year	(42,099,614)	933,283,999
Cash and cash equivalents at beginning of the year	933,283,999	-
Cash and cash equivalents at end of the year	4 891,184,385	933,283,999

The annexed notes from 1 to 27 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH CAPITAL PRESERVATION FUND II
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah Capital Preservation Fund II (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on February 28, 2018 between Alfalah GHP Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate issued by the SECP on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.2 The Fund has been categorised as "Capital Protected Scheme" pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. The Fund has a maturity date of May 11, 2020. No units can be offered after close of initial public offer.
- 1.3 According to the trust deed, the objective of the Fund is to provide capital preservation to investors upon maturity by dynamically allocating a portion of the Trust Property in fixed income instruments in capital protection segment, and remaining in equity market as Investment segment or any other SECP permitted investments to provide investors with better returns. The Fund aims to deliver the objectives mainly by investing in equity securities, government securities, cash in bank accounts and any other instruments that may be allowed by the SECP. The investment objectives and policy are explained in the Fund's offering document.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.
- 1.5 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 The Fund commenced its operations from May 11, 2018. The duration of the Fund is twenty four (24) months from the commencement of the life of the Fund and hence the Fund shall be automatically dissolved on May 11, 2020. Based on the above, the management has assessed and concluded that the Fund is not a going concern. The management has continued to measure the Fund's assets and liabilities principally in accordance with the basis of measurement disclosed in note 3 of these financial statements. However, in preparing these financial statements the management has given due consideration to the fact that the measurement of assets and liabilities may be affected by changes in judgements that can arise when the going concern assumption ceases to be valid.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". IFRS 9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. IFRS 9 has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other

than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at Fair value through other comprehensive income. IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income ("FVOCI") or (c) at fair value through profit or loss (FVTPL) based on the business model of the entity.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognised as FVTPL.

The objective of the Fund is to provide Capital preservation to investors upon maturity of the Fund on May 11, 2020. The Fund is required to allocate a portion of the Fund's assets in fixed income securities (to provide capital protection) and the remaining in equity investment or any other SECP permitted investment to provide better returns. The portion of the Fund's assets invested in fixed income securities with maturity upto May 11, 2020 is primarily focused on collection of cash flows and hence is classified under "held for collect" model. The remaining portion of investments of the Fund is primarily focused on earning fair value gain and is classified as at fair value through profit or loss (FVTPL). Furthermore, the remaining assets of the Fund which are held for collection continue to be measured at amortised cost.

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

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

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1 and 5).
- ii. Impairment of financial assets (note 3.3.2).
- iii. Taxation (notes 3.6 and 19).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments classified at 'financial assets at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied except for change in accounting policy as explained in note 2.2.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

The portion of the assets of the Funds portfolio which is invested in fixed income debt securities with maturity upto the date of duration of the Fund is primarily held for providing capital preservation to the investors and not for the purpose of fair value gain. Accordingly, the same is being classified and carried at amortised cost.

The portion of debt securities whose maturity is after the duration maturity of the Fund (i.e after May 11, 2020) is primarily kept for earning fair value gains and hence, is classified as FVTPL.

b) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund has not opted for the irrevocable option and all equity instruments are classified as FVTPL.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial 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 to realise the assets and settle the liabilities simultaneously.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over the maturity of the Fund in accordance with the requirements set out in the Trust Deed of the Fund and the Non Banking Finance Companies and Notified Entities Regulations, 2008.

3.8 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.10 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to the NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.11 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year, in case where units are issued during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as 'at fair value through profit or loss' are recognised in the income statement in the period in which they arise.
- "Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which these arise."
- Income on Government securities is recognised on a time proportionate basis using the effective yield method.
- Profit / mark-up on bank balances is recognised on an accrual basis.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

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

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2019 ----- (Rupees)	2018 ----- (Rupees)
4 BANK BALANCES			
Balances with banks in:			
Saving accounts	4.1	891,184,385	933,283,999
		<u>891,184,385</u>	<u>933,283,999</u>
4.1			
This includes balance of Rs 819.849 million (2018: 474.87 million) maintained with Bank Alfalah Limited (a related party). These carry profit rates ranging from 6.60% to 13.15% (2018: 4% to 7.35%) per annum.			
5 INVESTMENTS	Note	2019 ----- (Rupees)	2018 ----- (Rupees)
'At fair value through profit or loss'			
Listed equity securities	5.1	59,737,718	185,220,443
Market treasury bills	5.2	-	-
Pakistan Investment Bonds	5.3	66,604,399	-
		<u>126,342,117</u>	<u>185,220,443</u>

5.1 Investments in listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	As at July 01, 2018	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2019	Carrying amount as at June 30, 2019	Market value as at June 30, 2019	Appreciation/ (diminution)	Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
									Net assets of the fund	Total market value of investments	
----- (Number of shares) ----- (Rupees) -----											
Fertilizer											
Engro Corporation Limited	37,900	65,800	2,100	99,900	5,900	1,669,520	1,567,040	(102,480)	0.15%	1.24%	-
Engro Fertilizers Limited	185,500	91,500	-	236,500	40,500	2,959,485	2,590,785	(368,700)	0.25%	2.05%	-
Fauji Fertilizers Company Limited	108,000	113,500	-	203,500	18,000	1,743,163	1,569,600	(173,563)	0.15%	1.24%	-
Fauji Fertilizer Bin Qasim Limited	20,500	-	-	20,500	-	-	-	-	-	-	-
Technology & Communication											
System Limited	-	31,400	1,350	-	32,750	3,105,135	3,143,018	37,883	0.30%	2.49%	0.03%
Pharmaceuticals											
The Searle Company Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
Chemicals											
Engro Polymer & Chemicals Limited	-	342,500	-	181,000	161,500	5,443,824	4,354,040	(1,089,784)	0.41%	3.45%	0.02%
Descon Oxychem Limited	-	79,500	-	39,000	40,500	721,018	650,025	(70,993)	0.06%	0.51%	0.04%
Commercial banks											
Bank Alfalah Limited (a related party)	91,000	229,000	9,100	269,000	60,100	2,783,766	2,619,759	(164,007)	0.25%	2.07%	-
Bank Al-Habib Limited	62,500	26,500	-	89,000	-	-	-	-	-	-	-
Allied Bank Limited	-	11,700	-	2,700	9,000	973,954	945,180	(28,774)	0.09%	0.75%	-
Faysal Bank Limited	98,000	-	-	15,000	83,000	2,158,000	1,786,160	(371,840)	0.17%	1.41%	0.01%
Habib Bank Limited	47,000	240,000	-	269,700	17,300	2,194,472	1,959,398	(235,074)	0.19%	1.55%	-
Meezan Bank Limited	-	173,500	6,950	121,000	59,450	5,069,333	5,181,662	112,329	0.49%	4.10%	-
Habib Metropolitan Bank Limited	35,000	-	-	35,000	-	-	-	-	-	-	-
MCB Bank Limited	29,000	36,500	-	63,500	2,000	375,427	348,900	(26,527)	0.03%	0.28%	-
United Bank Limited	13,400	130,000	-	137,400	6,000	885,226	884,280	(946)	0.08%	0.70%	-
The Bank of Punjab	360,500	682,500	-	757,000	286,000	3,503,414	2,616,900	(886,514)	0.25%	2.07%	0.01%
Cement											
D.G. Khan Cement Company Limited	-	284,500	-	284,500	-	-	-	-	-	-	-
Attock Cement Pakistan Limited	-	24,500	-	22,000	2,500	218,909	178,525	(40,384)	0.02%	0.14%	-
Lucky Cement Limited	-	131,650	-	131,600	50	20,318	19,024	(1,294)	-	0.02%	-
Kohat Cement Limited	-	90,000	-	90,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	51,500	-	51,500	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	357,000	-	357,000	-	-	-	-	-	-	-
Power generation and distribution											
Hub Power Company Limited	198,000	138,752	-	280,000	56,752	4,568,251	4,469,220	(99,031)	0.43%	3.54%	-
Kot Addu Power Company Limited	67,000	161,500	-	113,000	115,500	5,619,893	4,201,890	(1,418,003)	0.40%	3.33%	0.01%
K-Electric Limited	-	80,000	-	37,000	43,000	177,456	188,770	11,314	0.02%	0.15%	-
Oil and gas marketing companies											
Pakistan State Oil Company Limited	24,100	69,000	4,820	88,500	9,420	1,857,704	1,597,915	(259,789)	0.15%	1.26%	-
Sui Northern Gas Pipelines	-	127,500	-	107,500	20,000	1,455,297	1,389,800	(65,497)	0.13%	1.10%	-
Oil and gas exploration companies											
Mari Petroleum Company Limited	7,300	3,800	760	9,180,680		3,445,977	2,705,004	(740,973)	0.26%	2.14%	-
Oil and Gas Development Company Limited	178,500	133,300	-	297,800	14,000	2,016,877	1,840,860	(176,017)	0.18%	1.46%	-
Pakistan Oilfields Limited	23,350	13,300	4,360	40,950	60	28,423	24,353	(4,070)	-	0.02%	-
Pakistan Petroleum Limited	131,000	105,000	18,150	219,100	35,050	6,095,507	5,062,272	(1,033,235)	0.48%	4.01%	-
Textile composite											
Gul Ahmed Textile Mills Limited	-	86,500	-	56,500	30,000	1,616,183	1,413,600	(202,583)	0.13%	1.12%	0.01%
Nishat Mills Limited	1,500	87,600	-	72,900	16,200	2,111,446	1,512,108	(599,338)	0.14%	1.20%	-
Nishat Chunian Limited	-	115,000	-	73,000	42,000	2,108,231	1,470,840	(637,391)	0.14%	1.16%	0.01%
Interloop Limited	-	84,000	-	33,500	50,500	2,290,650	2,235,635	(55,015)	0.21%	1.77%	0.01%

Name of the investee company	As at July 01, 2018	Purchased during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2019	Carrying amount as at June 30, 2019	Market value as at June 30, 2019	Appreciation/ (diminution)	Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
									Net assets of the fund	Total market value of investments	
					----- (Number of shares) -----			----- (Rupees) -----			
Engineering											
Mughal Iron & Steel Industries Limited	5,000	33,500	-	25,500	13,000	453,430	327,080	(126,350)	0.03%	0.26%	0.01%
International Steels Limited	13,500	78,000	-	77,000	14,500	888,005	575,795	(312,210)	0.05%	0.46%	-
International Industries Limited	-	31,500	-	27,500	4,000	425,487	308,280	(117,207)	0.03%	0.24%	-
Automobile assembler											
Indus Motor Company Limited	-	1,300	-	1,300	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	10,500	-	10,500	-	-	-	-	-	-	-
Total as at June 30, 2019						<u>68,983,781</u>	<u>59,737,718</u>	<u>(9,246,063)</u>	<u>5.67%</u>	<u>47.29%</u>	
Total as at June 30, 2018						<u>189,552,507</u>	<u>185,220,443</u>	<u>(4,332,064)</u>	<u>16.55%</u>	<u>100.00%</u>	

5.1.1 Investments include shares with market value of Rs 11.153 million (2018: 21.975 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP. The details of shares which have been pledged are as follows:

Name of investee Company	2019		2018	
	Number of shares	Market value	Number of shares	Market value
		(Rupees)		(Rupees)
Engro Fertilizers Limited	31,500	2,015,055	19,500	1,460,745
Engro Corporation Limited	5,000	1,328,000	6,000	1,883,160
Fauji Fertilizer Company Limited	-	-	18,000	1,780,020
Fauji Fertilizer Bin Qasim Limited	-	-	10,500	405,300
The Hub Power Company Limited	27,000	2,126,250	15,000	1,382,400
Kot Addu Power Company Limited	-	-	4,500	242,595
Pakistan State Oil Company Limited	-	-	2,100	668,451
Oil & Gas Development Company Limited	2,000	262,980	15,000	2,334,300
Pakistan Oilfields Limited	-	-	2,550	1,713,065
Pakistan Petroleum Limited	21,000	3,033,030	9,000	1,934,100
Nishat Mills Limited	-	-	1,500	211,380
International Steels Limited	-	-	4,500	457,650
Mughal Iron & Steel Industries limited	-	-	2,500	153,550
Bank Alfalah Limited	21,000	915,390	21,000	1,098,090
Habib Bank Limited	13,000	1,472,380	15,000	2,496,600
MCB Bank Limited	-	-	9,000	1,779,930
United Bank Limited	-	-	9,000	1,520,820
Bank of Punjab	-	-	37,500	452,625
	<u>120,500</u>	<u>11,153,085</u>	<u>202,150</u>	<u>21,974,781</u>

5.2 Market Treasury Bills

Particulars	Face value				June 30, 2019		Unrealised gain / (loss) on revaluation	Market value as a percentage of	
	As at July 01, 2018	Purchased during the year	Disposed / matured during the year	As at June 30, 2019	Carrying value	Market value		Total investments	Net assets
----- (Rupees) -----									
Market Treasury Bills - 3 months	-	7,831,000,000	7,831,000,000	-	-	-	-	-	-
Total as at June 30, 2019	<u>-</u>	<u>7,831,000,000</u>	<u>7,831,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2018	<u>-</u>	<u>2,150,000,000</u>	<u>2,150,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.3 Pakistan Investment Bonds (PIBs)

Particulars	Face value				June 30, 2019		Unrealised loss on revaluation	Market value as a percentage of	
	As at July 01, 2018	Purchased during the year	Disposed / matured during the year	As at June 30, 2019	Carrying value	Market value		Total investments	Net assets
(Rupees)									
Pakistan Investment Bonds - 3 years Note 5.3.1	-	445,000,000	370,000,000	75,000,000	67,205,731	66,604,399	(601,332)	52.7%	6.3%
Total as at June 30, 2019	-	445,000,000	370,000,000	75,000,000	67,205,731	66,604,399	(601,332)	52.7%	6.3%
Total as at June 30, 2018	-	-	-	-	-	-	-	0.0%	0.0%

5.3.1 These carry purchase yield of 7.25% (2018: Nil per annum). These have maturity upto July 12, 2021 (2018: Nil).

5.4 Unrealised loss on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net

Note
2019
2018
-----Rupees-----

Market value of investments	5.1 & 5.3	126,342,117	185,220,443
Less: carrying value of investments	5.1 & 5.3	(136,189,512)	(189,552,507)
		<u>(9,847,395)</u>	<u>(4,332,064)</u>

6 SECURITY DEPOSITS

Security deposits with:

- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
		<u>2,600,000</u>	<u>2,600,000</u>

7 DIVIDEND, PROFIT AND OTHER RECEIVABLE

Dividend receivable		413,625	302,750
Mark-up receivable on bank balances	7.1	9,158,686	3,744,914
Mark-up receivable on investments		2,393,811	-
Advance tax	7.2	43,611	-
		<u>12,009,733</u>	<u>4,047,664</u>

7.1 It includes accrued markup of Rs. 8.3 million (2018: Rs 0.484 million) on bank balance maintained with Bank Alfalah Limited (a related party).

7.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends amounts to Rs 0.043 million (2018: Nil).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8. RECEIVABLE AGAINST SALE OF INVESTMENTS

This represents receivable against sale of investments which requires delivery and settlement / payment of securities within two days after transaction date as required by the stock exchange regulations.

9. PRELIMINARY EXPENSES AND FLOATATION COST

Note
2019
2018
-----Rupees-----

Preliminary expenses and floatation cost incurred		4,650,695	5,000,000
Less: amortisation during the year / period		2,500,029	349,305
At the end of the year	9.1	<u>2,150,666</u>	<u>4,650,695</u>

- 9.1 Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 2 years (duration of the Fund) in accordance with the requirements set out in the Offering Document of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

	Note	2019	2018
		-----Rupees-----	
10 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	10.1	1,304,878	1,391,382
Sindh sales tax payable on management remuneration	10.2	169,637	180,880
Preliminary expenses and floatation cost payable		-	5,000,000
Payable in respect of security deposits		-	2,600,000
Payable in respect of initial deposit for opening of bank accounts		-	40,000
Payable against allocated expenses	10.3	543,758	158,181
Payable against selling and marketing expenses	10.4	2,172,618	308,585
		<u>4,190,891</u>	<u>9,679,028</u>

- 10.1 The Management Company has charged remuneration at a rate of 1.5% of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

- 10.2 During the year, an amount of Rs. 2.154 million (2018: Rs. 0.308 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.166 million (2018: Rs. 0.128 million) has been paid to the Management Company which acts as a collecting agent.

- 10.3 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

- 10.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year in accordance with the relevant regulation.

	Note	2019	2018
		-----Rupees-----	
11 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	11.1	102,025	109,531
Sindh sales tax payable on trustee remuneration	11.2	23,548	26,734
		<u>125,573</u>	<u>136,265</u>

- 11.1 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.

- 11.2 During the year, an amount of Rs 1.436 million (2018: Rs. 0.026 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.439 million (2018: Rs. Nil) was paid to the Trustee which acts as a collecting agent.

	2019	2018	
		-----Rupees-----	
12 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable	<u>828,624</u>	<u>118,642</u>	

- 12.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme classified as a capital protected scheme is required to pay as annual fee to the SECP, an amount equal to 0.075 percent of the average annual net assets of the Fund.

13 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2019	2018
-----Rupees-----			
Auditors' remuneration		380,758	156,167
Brokerage payable		466,920	298,558
Settlement charges		40,314	935
Sales load payable		-	501,354
Printing charges		56,517	9,798
Withholding tax payable		3,687,542	98,621
Capital value tax payable		-	23,988
Annual Listing Fee		27,457	-
Provision for Sindh Workers' Welfare Fund	13.1	643,097	-
		<u>5,302,605</u>	<u>1,089,421</u>

- 13.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from July 1, 2018).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the year ended June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.06 (2018: Nil) per unit.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

15 PROFIT / MARK-UP INCOME	For the year ended June 30, 2019	For the period from May 11, 2018 to June 30, 2018
-----Rupees-----		
Profit / mark-up income on:		
- Market Treasury Bills	49,053,923	5,604,302
- Pakistan Investment Bonds	11,635,469	-
- Bank balances	28,781,773	4,379,696
	<u>89,471,165</u>	<u>9,983,998</u>

16 AUDITORS' REMUNERATION

Annual audit fee	330,000	100,000
Review and other certifications	160,000	29,600
	490,000	129,600
Out of pocket expenses	39,933	10,367
Sindh sales tax on services	42,395	16,200
	<u>572,328</u>	<u>156,167</u>

17 SECURITIES TRANSACTION COST

This represents brokerage, sales tax on brokerage and settlement charges to the Central Depository Company of Pakistan Limited and National Clearing Company of Pakistan Limited.

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 2.79% which includes 0.35% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a capital protected scheme.

19 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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:

20.1 Unit holders' fund

		2019									
Note	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
Units					Rupees						
Unit holders holding 10% or more units											
Abdul Sattar											
Edhi Foundation	20.1.1	4,754,146	-	115,954	-	4,870,100	474,490,410	-	11,586,092	-	486,618,950

		2018							
	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2018	
Units				Rupees					
Unit holders holding 10% or more units									
Abdul Sattar									
Edhi Foundation		4,754,146	-	-	4,754,146	477,508,262	-	-	474,490,410

20.1.1 This reflects the position of related party / connected persons status as at June 30, 2019.

20.2 Detail of transactions with related parties / connected persons during the year / period

	For the year ended June 30, 2019	For the period from May 11, 2018 to June 30, 2018
	-----Rupees-----	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	16,573,095	2,372,813
Sindh sales tax on remuneration of the Management Company	2,154,505	308,466
Allocated expenses	1,104,820	158,181
Selling and Marketing expenses	3,495,076	308,585
Sales load	-	3,438,903
Bank Alfalah Limited		
Profit on saving accounts	15,450,101	1,112,832
Bank charges	97	5,476
Sales load	-	9,449,875
Alfalah GHP Money Market Fund		
Market Treasury Bills - purchased	933,722,940	-
Market Treasury Bills - sold	39,685,000	-
Alfalah GHP Sovereign Fund		
Market Treasury Bills - purchased	391,902,400	-
Market Treasury Bills - sold	1,292,103,800	-
Pakistan Investment Bonds - purchased	49,347,500	-
Alfalah GHP Cash Fund		
Market Treasury Bills - sold	17,649,234	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,436,332	205,646
Sindh sales tax on remuneration of the Trustee	186,724	26,734
	2019	2018
	-----Rupees-----	
20.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management fee payable	1,304,878	1,391,382
Sindh sales tax payable on management remuneration	169,637	180,880
Preliminary expenses and floatation cost payable	-	5,000,000
Payable in respect of initial deposit for opening of bank accounts	-	40,000
Payable in respect of security deposits	-	2,600,000
Payable against allocated expenses	543,758	158,181
Payable against marketing and selling expenses	2,172,618	308,585
Bank Alfalah Limited		
Bank balances	819,849,174	474,873,676
Profit receivable	8,304,808	484,108
Sales load payable	-	501,354
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	102,025	109,531
Sindh sales tax payable on Trustee remuneration	23,548	26,734
Security deposit	100,000	100,000

21 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2019, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Financial assets

Bank balances
Investments
Security deposits
Dividend, profit and other receivable
Receivable against sale of investments

2019		
At amortised Cost	At fair value through profit or loss	Total
----- (Rupees) -----		
891,184,385	-	891,184,385
-	126,342,117	126,342,117
2,600,000	-	2,600,000
11,966,122	-	11,966,122
25,337,224	-	25,337,224
<u>931,087,731</u>	<u>126,342,117</u>	<u>1,057,429,848</u>

Financial liabilities

Payable to the Management Company
Payable to the Trustee
Accrued and other liabilities

2019		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----		
-	4,190,891	4,190,891
-	125,573	125,573
-	971,966	971,966
	<u>5,288,430</u>	<u>5,288,430</u>

Financial assets

Bank balances
Investments
Security deposits
Dividend, profit and other receivable

2018		
At amortised Cost	At fair value through profit or loss	Total
----- (Rupees) -----		
933,283,999	-	933,283,999
-	185,220,443	185,220,443
2,600,000	-	2,600,000
4,047,664	-	4,047,664
<u>939,931,663</u>	<u>185,220,443</u>	<u>1,125,152,106</u>

Financial liabilities

Payable to the Management Company
Payable to the Trustee
Accrued and other liabilities

2018		
At fair value through profit or loss	At amortised cost	Total
----- (Rupees) -----		
-	9,679,028	9,679,028
-	136,265	136,265
-	966,812	966,812
-	<u>10,782,105</u>	<u>10,782,105</u>

22 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

22.1.1 Currency risk

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

22.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2019	2018
	-----Rupees-----	
Variable rate instruments (financial assets)		
Bank balances	891,184,385	933,283,999
	<u>891,184,385</u>	<u>933,283,999</u>
Fixed rate instruments (financial assets)		
Pakistan Investment Bonds	66,604,399	-
	<u>66,604,399</u>	<u>-</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.743 million (2018: Rs 0.778 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.33 million (2018: Rs Nil) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2019 can be determined as follows:

Particulars	2019					Total
	Effective interest rate	Exposed to yield / profit risk			Not exposed to yield / profit risk	
		Upto three months	More than three months and up to one year	More than one year		
----- Rupees -----						
Financial assets						
Bank balances	6.60%- 13.15%	891,184,385	-	-	-	891,184,385
Investments		-	66,604,399	-	59,737,718	126,342,117
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	11,966,122	11,966,122
Receivable against sale of investments		-	-	-	25,337,224	25,337,224
		<u>891,184,385</u>	<u>66,604,399</u>	<u>-</u>	<u>99,641,064</u>	<u>1,057,429,848</u>
Financial liabilities						
Payable to the Management Company		-	-	-	4,190,891	4,190,891
Payable to the Trustee		-	-	-	125,573	125,573
Accrued and other liabilities		-	-	-	971,966	971,966
		<u>-</u>	<u>-</u>	<u>-</u>	<u>5,288,430</u>	<u>5,288,430</u>
On-balance sheet gap		<u>891,184,385</u>	<u>66,604,399</u>	<u>-</u>	<u>94,352,634</u>	<u>1,052,141,418</u>
Total interest rate sensitivity gap		<u>891,184,385</u>	<u>66,604,399</u>	<u>-</u>	<u>94,352,634</u>	<u>1,052,141,418</u>
Cumulative interest rate sensitivity gap		<u>891,184,385</u>	<u>957,788,784</u>	<u>957,788,784</u>		

Particulars	2018					Total
	Effective interest rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- Rupees -----						
Financial assets						
Bank balances	4%- 7.35%	933,283,999	-	-	-	933,283,999
Investments		-	-	-	185,220,443	185,220,443
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivables		-	-	-	4,047,664	4,047,664
		<u>933,283,999</u>	<u>-</u>	<u>-</u>	<u>191,868,107</u>	<u>1,125,152,106</u>
Financial liabilities						
Payable to the Management Company		-	-	-	9,679,028	9,679,028
Payable to the Trustee		-	-	-	136,265	136,265
Accrued and other liabilities		-	-	-	966,812	966,812
		<u>-</u>	<u>-</u>	<u>-</u>	<u>10,782,105</u>	<u>10,782,105</u>
On-balance sheet gap		<u>933,283,999</u>	<u>-</u>	<u>-</u>	<u>181,086,002</u>	<u>1,114,370,001</u>
Total interest rate sensitivity gap		<u>933,283,999</u>	<u>-</u>	<u>-</u>	<u>181,086,002</u>	<u>1,114,370,001</u>
Cumulative interest rate sensitivity gap		<u>933,283,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarises the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2019. The analysis is based on the assumption that the PSX index increased / decreased by 1% 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 the index. This represents managements' best estimate of a reasonable possible shift in the PSX index, having regard to the historical volatility of the index of the past three years.

At June 30, 2019, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

	2019	2018
	-----Rupees-----	
<i>Effect due to increase / decrease in KSE 100 index</i>		
Investments and net assets	<u>597,377</u>	<u>1,852,204</u>
Income statement	<u>597,377</u>	<u>1,852,204</u>

22.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

22.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2019 is as follows:

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
(Rupees)				
Bank balances	891,184,385	891,184,385	933,283,999	933,283,999
Investments	126,342,117	-	185,220,443	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend, profit and other receivable	11,966,122	11,966,122	4,047,664	4,047,664
Receivable against sale of Investments	25,337,224	25,337,224	-	-
	<u>1,057,429,848</u>	<u>931,087,731</u>	<u>1,125,152,106</u>	<u>939,931,663</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities and government securities of Rs 126.342 million (2018: Rs 185.22 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2019 and June 30, 2018.

22.2.2 Bank balances

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Name of bank	Rating Agency	Rating	2019	2018
			(%)	
Allied Bank Limited	PACRA	A1+	7.97%	49.01%
Bank Alfalah Limited	PACRA	A1+	92.00%	50.99%
Zarai Taraqiyati Bank Limited	PACRA	A1+	0.02%	-
Samba Bank limited	PACRA	A1	0.00%	-
Central Depository Company of Pakistan Limited	N/A	N/A	0.01%	-
			<u>100.00%</u>	<u>100.00%</u>

Above rating is on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

22.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of the Fund's concentration of credit risk of financial instruments are as follows:

	2019		2018	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable)	900,343,071	96.70%	937,028,913	99.69%
Dividend receivable	413,625	0.04%	302,750	0.03%
Mark-up receivable on investments	2,393,811	0.26%	-	-
National Clearing Company of Pakistan Limited (security deposit)	2,500,000	0.27%	2,500,000	0.27%
Central Depository Company of Pakistan Limited (security deposit)	100,000	0.01%	100,000	0.01%
Receivable against sale of investments	25,337,224	2.72%	-	-
	<u>931,087,731</u>	<u>100.00%</u>	<u>939,931,663</u>	<u>100.00%</u>

22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund is a capital preservation fund with a maturity of two years. The Fund's policy is therefore to invest the majority of its assets in either short term instruments or instruments which can be encashed easily in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue

and such requests would be treated as redemption requests 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 Fund did not withhold any redemptions during the period. The Management Company in order to discourage redemption has kept a back end load of 5 percent of sales value for investors who intend to redeem before the maturity of the Fund.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. The contractual maturity date is restricted to the date of the maturity of the Fund (i.e May 11, 2020). However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

Particulars	2019			
	Within 1 month	1 to 3 months	3 to 12 months	Total
----- (Rupees) -----				
Financial assets				
Bank balances	891,184,385	-	-	891,184,385
Investments	59,737,718	-	66,604,399	126,342,117
Security deposits	2,600,000	-	-	2,600,000
Dividend, profit and other receivable	11,966,122	-	-	11,966,122
Receivable against sale of investments	25,337,224	-	-	25,337,224
	990,825,449	-	66,604,399	1,057,429,848
Financial liabilities				
Payable to the Management Company	4,190,891	-	-	4,190,891
Payable to the Trustee	125,573	-	-	125,573
Accrued and other liabilities	971,966	-	-	971,966
	5,288,430	-	-	5,288,430
Net assets	<u>985,537,019</u>	<u>-</u>	<u>66,604,399</u>	<u>1,052,141,418</u>
Particulars	2018			
	Within 1 month	1 to 3 months	3 to 12 months	Total
----- (Rupees) -----				
Financial assets				
Bank balances	933,283,999	-	-	933,283,999
Investments	185,220,443	-	-	185,220,443
Security deposits	2,600,000	-	-	2,600,000
Dividend, profit and other receivable	4,047,664	-	-	4,047,664
	1,125,152,106	-	-	1,125,152,106
Financial liabilities				
Payable to the Management Company	9,679,028	-	-	9,679,028
Payable to the Trustee	136,265	-	-	136,265
Accrued and other liabilities	966,812	-	-	966,812
	10,782,105	-	-	10,782,105
Net assets	<u>1,114,370,001</u>	<u>-</u>	<u>-</u>	<u>1,114,370,001</u>

23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects

the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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); and

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

As at June 30, 2019, the Fund held the following financial instruments measured at fair values:

2019			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'			
Investments:			
-Listed Equity Securities	59,737,718	-	59,737,718
-Pakistan Investment Bonds	-	66,604,399	66,604,399
	<u>59,737,718</u>	<u>-</u>	<u>126,342,117</u>

2018			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Financial assets 'at fair value through profit or loss'			
Investments:			
-Listed Equity Securities	185,220,443	-	185,220,443
	<u>185,220,443</u>	<u>-</u>	<u>185,220,443</u>

During the year ended June 30, 2019, 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.

24 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The Fund has a duration of 2 years, starting from May 11, 2018 and ending at May 11, 2020. The risk in such type of Fund is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is exposed to redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may adversely affect the Fund. The risk of loss is mainly mitigated by investing in fixed income and other securities by maintaining a mix which provides capital preservation to the unit holders. Furthermore, there is a backend load for redeeming units before maturity of the Fund in order to keep unitholders locked in. The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to provide investors with better returns.

The Fund Manager / Investment Committee members and the Chief Executive of the Management 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 as 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's yield and movement of net asset value and total size at the end of each quarter.

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the period.

25 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

26 GENERAL

Figures have been rounded off to the nearest rupee.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 29, 2019** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	91	4,513,497	450,987,241	43%
Retirement & Other Funds	8	490,290	48,989,649	5%
Others	4	5,496,405	549,199,542	52%
	103	10,500,192	1,049,176,432	100%

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2018			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	116	5,087,035	507,714,819	46%
Retirement & Other Funds	10	588,665	58,752,016	5%
Others	7	5,533,884	552,312,609	49%
	133	11,209,583	1,118,779,445	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2019
	%
Next Capital Limited	13.29
Al Habib Capital Markets Limited	11.06
IGI Finex Securities Limited	9.95
Shajar Capital Pakistan Private Limited	9.42
Foundation Securities Limited	8.98
Taurus Securities Limited	6.74
Optimus Capital Management (Pvt) Limited	6.10
Inter Market Securities Limited	5.91
AKD Securities Ltd.	5.76
Alfalsh Securities (Private) Limited	4.72
	30 June 2018
	%
Insight Securities (Private) Limited	21.09%
Taurus Securities Limited	15.45%
Elixir Securities Pakistan (Pvt.) Limited	13.23%
IGI Finex Securities Limited	9.64%
Arif Habib Limited	8.78%
AKD Securities Ltd.	7.45%
JS Global Capital Limited	7.32%
Next Capital Limited	3.38%
Topline Securities (Pvt) Limited	3.28%
EFG Hermes Pakistan Limited	3.20%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

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.

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.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam.

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 84th, 85th, 86th, 87th and 88th Board Meetings were held on 16 Aug 2018, 29 Oct 2018,

18 Dec 2018, 20 Feb 2019 and 29 April 2019 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	-	5	5
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Tufail Jawed Ahmad	5	4	1	1
Mr. Adeel Bajwa	4	3	1	1
Mr. Tauqir Zafar	4	4	-	-
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	1	1	-	-
Mr. Edward Phillip Hurt	1	1	-	-

**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**

PERFORMANCE TABLE - AGCPF II

	30 June 2019 (Rupees in '000)	30 June 2018 (Rupees in '000)
Net Assets	1,049,176	1,118,779
NAV per unit	99.9197	99.8056
Selling price per unit	N/A	N/A
Redemption price per unit	94.9237	94.8153
Highest selling price per unit	N/A	N/A
Highest redemption price per unit	102.8630	100.0423
Lowest selling price per unit	N/A	N/A
Lowest redemption price per unit	99.0200	94.4736
Interim distribution	2.7852	Nil
Annualized returns	2.91%	-0.20%
Income distribution	2.71%	Nil

Return since inception is 2.91%

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

**Summary of Actual Proxy voted by
Alfalsh Capital Preservation Fund-II**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Hub Power Company Limited							
EOGM	20-Aug-18	Approval of Annual Accounts of the Company	198,000	0.00%	✓		
		Declaration of Dividend					
The Kot Addu Power Company Limited							
EOGM	5-Sep-19	Approval of Annual Accounts of the Company	67,000	0.01%	✓		
		Declaration of Dividend					
Bank Alfalah Limited							
AGM	5-Sep-19	Alteration in the Articles of association	82,600	0.00%	✓		

اظہار تشکر

ڈاکٹر کبیر زکریا کی قدر و معائیت امداد اور تاملاتی پر سیکورٹی ڈیپارٹمنٹ آف پاکستان کے شکر گزار ہیں۔ ہورڈنگ اور محنت پر محنت کئی کے طرز میں اور کوشش کا اور محنت میں اعصاب پر یونٹ ہولڈرز کا بھی شکر یہ ہوا کرتے ہیں۔

منجانب ہورڈ

چیف ایگزیکٹو آفیسر

کراچی، 29 اگست 2019ء



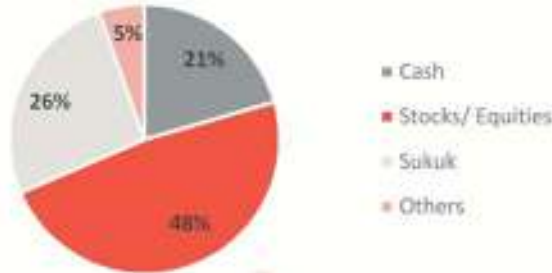
الفلاح GHP اسلامک ویلیو فنڈ

کل اثاثے کا حجم 11.42 ارب روپے کے برابر ہے۔ 10.80 ارب روپے کے برابر ہیں۔

برائے

سال کے اختتام کے بعد اثاثے کے حجم میں اضافہ 236 کروڑ روپے کی شرح سے ہوا ہے۔

Asset Allocation
(as at 30 June 2019)



(روپے میں)

کمپنی ریٹرن اور ہولڈر

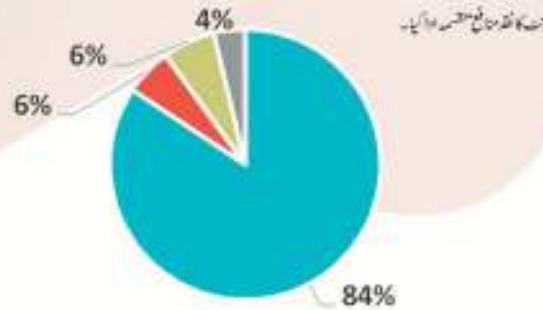
تفصیل	یہاں تک 30 جون 2019	یہاں تک 30 جون 2018
اور اثاثے	213.87	263.61
مجموعی (تفصیل) ہولڈر	-13.15	8.38
کل مجموعی آمدنی	-21.93	0.25
نفاذ ہونے کی وجوہات (پہلے سے)	89.4693	100.5306
معدے کے دوران شرح 2019	66.50	581.31
معدے کے دوران شرح کی دیکھیں ہولڈر	-191.07	-291.13

الفلاح کیپٹل پریزرویشن فنڈ

کل اثاثے کا حجم 5.10 ارب روپے کے برابر ہے۔ 2.91 ارب روپے کے برابر ہیں۔

برائے

سال کے اختتام کے بعد اثاثے کے حجم میں اضافہ 2.7852 ارب روپے کی شرح سے ہوا ہے۔



(روپے میں)

کمپنی ریٹرن اور ہولڈر

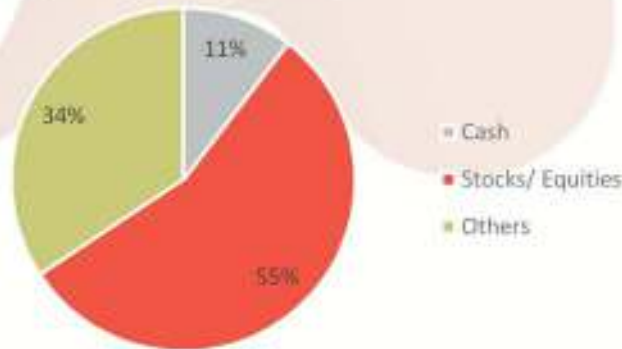
تفصیل	یہاں تک 30 جون 2019	یہاں تک 30 جون 2018
اور اثاثے	1,104.80	1,132.07
مجموعی (تفصیل) ہولڈر	62.30	2.15
کل مجموعی آمدنی	31.51	-2.19
نفاذ ہونے کی وجوہات (پہلے سے)	99.9197	99.8056
معدے کے دوران شرح 2019	24.83	1,121.08
معدے کے دوران شرح کی دیکھیں ہولڈر	-97.39	-0.105

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	For the year ended June 30 ,2019					
Average Net Assets	521.62	792.14	1,225.46	881.00	530.82	75.07
Gross income / (loss)	24.87	27.30	-29.89	-22.31	26.15	3.02
Total Comprehensive Income / (loss)	22.64	24.95	-33.68	-25.31	21.29	2.70
Net Assets Value per Unit (PKR)	98.1864	99.2760	90.6267	92.9738	100.1956	100.1816
Issuance of units during the year	269.52	218.36	-	9.82	908.30	105.86
Redemption of units	-835.14	-1,154.95	-1,286.27	-362.93	-749.58	-50.80

Description	Active Allocation Plan	Balance Allocation Plan	Active Allocation Plan - II	Active Allocation Plan - III
	For the year ended June 30 ,2018			
Average Net Assets	1,465.82	2,403.43	1,883.99	1,047.91
Gross loss	-133.18	-0.502	-164.68	-44.83
Total Comprehensive Loss	-140.04	-8.30	-170.76	-48.82
Net Assets Value per Unit (PKR)	97.9444	105.4376	92.4122	95.2688
Issuance of units during the period	0.09	651.59	-	-
Redemption of units during the period	-738.40	-2,797.31	-197.14	-69.01

الفلاح GHP اسلامک ڈیڈیکیشنڈ ایکویٹی فنڈ

کل اثاثے: 23.84 لاکھ روپے کے برعکس 23.98 لاکھ روپے کا پانڈ

Asset Allocation
(as at 30 June 2019)

(در پے لائن میں)

کمپنی ریپڈی اے این ڈی

تھمبیل	تاریخ 30 جون 2019 تک	تاریخ 30 جون 2018 تک
اسٹاکس/ایکویٹیز	948.82	1,179.74
گھری (کھانہ) آئٹمز	-149.23	-58.69
کل گھری آئٹمز (کھانہ)	-177.10	-89.51
ٹیکس آئٹمز کی واپسیوں پر (کھانہ)	59.8829	84.8112
مدت کے دوران چارجس	1,295.00	2,104.78
مدت کے دوران چارجس کی واپسیوں	-2,732.74	-1,061.07

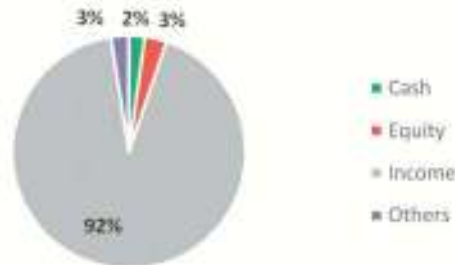
الفلاح GHP اسلامک پراسپرٹس پلاننگ فنڈ - بیلنس ایلوکیشن پلان

فنانسنگ ٹیڈاگ 0.52 ایلوگمکانے کے رگس 0.80 ایلوگمکانے کا۔

اوانگی

سال کا اتمام کے بعد فنانسنگ پلاننگ 3.3133 ایلوگمکانے کا۔

**Asset Allocation
(as at 30 June 2019)**



الفلاح GHP اسلامک پراسپرٹس پلاننگ فنڈ - کیپٹل پریزیوشن 4

فنانسنگ ٹیڈاگ 0.58 ایلوگمکانے کے رگس 3.91 ایلوگمکانے کا۔

اوانگی

سال کا اتمام کے بعد فنانسنگ پلاننگ 3.7162 ایلوگمکانے کا۔

Asset Allocation as at June 30, 2019



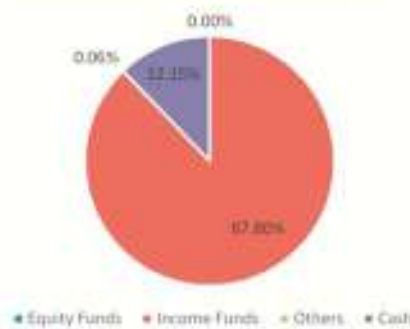
الفلاح GHP اسلامک پراسپرٹس پلاننگ فنڈ - کیپٹل پریزیوشن 5

فنانسنگ ٹیڈاگ 1.54 ایلوگمکانے کے رگس 3.60 ایلوگمکانے کا۔

اوانگی

سال کا اتمام کے بعد فنانسنگ پلاننگ 3.4161 ایلوگمکانے کا۔

Asset Allocation as at June 30, 2019



الفلاح GHP اسلامک پراسپرٹس پلاننگ فنڈ - ایکٹو ایلوکیشن پلان

فنانسنگ ٹوٹل 1.02 بلین روپے کے برعکس 4.94 بلین روپے کا ہے۔

تاریخ

سال کے اختتام کے بعد فنانسنگ پلان 4.5953 بلین روپے تک بڑھ گیا ہے۔

Asset Allocation
(as at 30 June 2019)



الفلاح GHP اسلامک پراسپرٹس پلاننگ فنڈ - ایکٹو ایلوکیشن پلان II

فنانسنگ ٹوٹل 8.18 بلین روپے کے برعکس 1.93 بلین روپے کا ہے۔

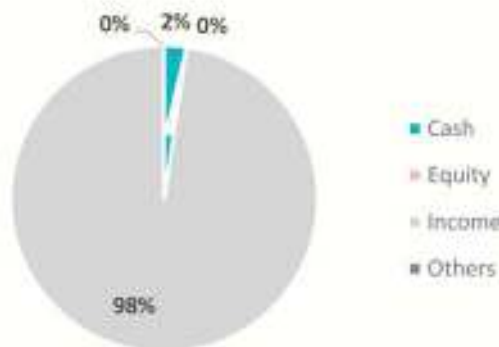
Asset Allocation
(as at 30 June 2019)



الفلاح GHP اسلامک پراسپرٹس پلاننگ فنڈ - ایکٹو ایلوکیشن پلان III

فنانسنگ ٹوٹل 7.51 بلین روپے کے برعکس 2.41 بلین روپے کا ہے۔

Asset Allocation
(as at 30 June 2019)



الفلاح GHP پراسپیریٹی پلاننگ فنڈ - مائٹریٹ پلان

کل داروں 0.77 لاکھ، ڈاکومنٹ کے برعکس 1.77 لاکھ روپے



الفلاح GHP پراسپیریٹی پلاننگ فنڈ - کنزرویٹو پلان

کل داروں 6.81 لاکھ، ڈاکومنٹ کے برعکس 3.74 لاکھ روپے

انگلی

سال کے اختتام کے بعد کل داروں نے 4,54,999 روپے کی پونجی کا مجموعہ جمع کیا ہے۔



Key Financial Data Alfalah GHP Prosperity Planning Fund

(Rupees in Million)

Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	For the year ended June 30 ,2019			For the year ended June 30 ,2018		
Average Net Assets	327.03	291.61	409.59	513.12	418.55	699.64
Gross (loss) / income	-14.87	12.10	-4.11	-41.14	5.27	-25.04
Total Comprehensive (loss) / Income	-16.18	10.09	-5.94	-42.90	3.01	-27.74
Net Assets Value per Unit (PKR)	98.9192	102.6701	98.0168	106.9901	111.0195	104.1419
Issuance of units during the year	3.63	82.51	22.97	248.44	49.04	111.03
Redemption of units during the year	-328.07	-266.16	-283.65	-27.19	-149.29	-461.20

الفلاح GHP منی مارکیٹ فنڈ

سال 2019 کے دوران الفلاح GHP منی مارکیٹ فنڈ (AGMMF) نے 9.15 فیصد ریٹرن کو ریکارڈ کیا جبکہ سال 2018 کے لیے 8.74 فیصد ریٹرن ریکارڈ کیا۔

سال کے اختتام کے بعد سالانہ پورٹ فولیو 1.2 کروڑ روپے بنتا ہے۔

Asset Allocation
(as at 30 June 2019)



(روپے لاکھ میں)

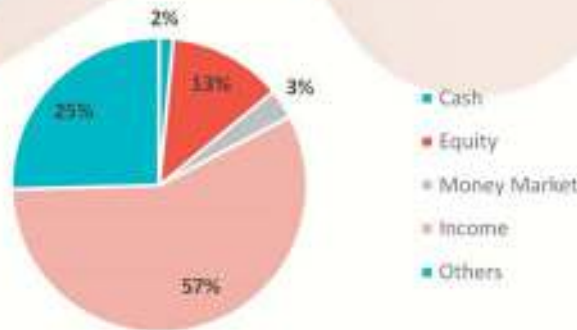
گھیری ریٹرن اور ہولڈر

تعمیرات	برائے 30 جون 2019 گھنٹہ سال	برائے 30 جون 2018 گھنٹہ سال
اوسٹانس ہائے	13,580.36	2,689.43
گھیری (گھنٹہ سال) گھنٹہ سال	1,379.27	171.59
گھیری گھنٹہ سال (گھنٹہ سال)	1,254.08	145.34
گھنٹہ سال گھنٹہ سال (گھنٹہ سال)	97,9519	102,7407
گھنٹہ سال گھنٹہ سال (گھنٹہ سال)	41,902.93	11,232.95
گھنٹہ سال گھنٹہ سال (گھنٹہ سال)	-28,840.22	-7,467.26

الفلاح GHP پراسپیئرٹی پلاننگ فنڈ- ایکٹو ایلوکیشن پلان

گھنٹہ سال 5.49 فیصد ریٹرن ریکارڈ کیا جبکہ سال 2018 کے لیے 6.88 فیصد ریٹرن ریکارڈ کیا۔

Asset Allocation
(as at 30 June 2019)

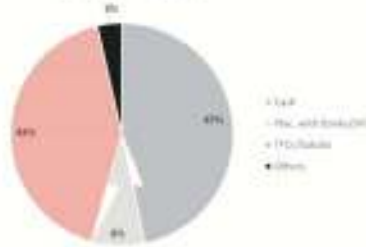


الفلاح GHP اسلامک انکم فنڈ

یہ جانکر دست کے دوران الفلاح GHP اسلامک انکم فنڈ نے 7.60 لاکھ روپے میں کٹاؤں کو بھرنے کا ارادہ کیا اور 3.8 لاکھ روپے
ادا کیے

سال کے اختتام کے بعد فنڈ نے پانچ لاکھ روپے کا اضافہ کیا اور 0.9111 روپے فی یونٹ کا نفاذ خرچ خرچہ کیا۔

Asset Allocation
(as at 30 June 2019)



(روپے میں)

کمپنی ریپبلک آف پاکستان

تفصیل	بالتاریخ 30 جون 2019	بالتاریخ 30 جون 2018
اوربٹا ناس ٹائٹ	4,474.85	6,022.53
گلوبل (کنسٹنٹ) آمدنی	412.23	346.99
کل گلوبل آمدنی	328.53	253.99
ناس ٹائٹ کی ریٹرنٹی فنڈ (پاکستانی روپے)	101,901.7	105,506.6
دست کے دوران خرچہ کیا گیا	7,534.44	7,735.66
دست کے دوران خرچہ کی گئی روپے	-7,226.59	-6,328.85

الفلاح GHP کیس فنڈ

بالی سال 19 کے دوران الفلاح GHP کیس فنڈ (AGCF) نے 9.03 لاکھ روپے میں کٹاؤں کو بھرنے کا ارادہ کیا اور 8.74 لاکھ روپے
ادا کیے

سال کے اختتام کے بعد فنڈ نے پانچ لاکھ روپے کا اضافہ کیا اور 42.65 روپے فی یونٹ کا نفاذ خرچ خرچہ کیا۔

Asset Allocation
as at 30 June 2019



(روپے میں)

کمپنی ریپبلک آف پاکستان

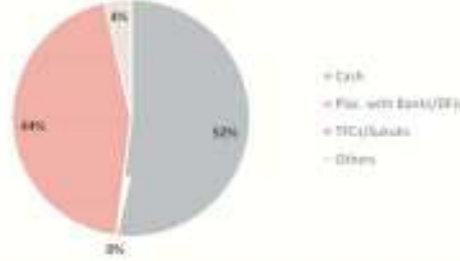
تفصیل	بالتاریخ 30 جون 2019	بالتاریخ 30 جون 2018
اوربٹا ناس ٹائٹ	116.42	131.44
گلوبل (کنسٹنٹ) آمدنی	12.48	9.32
کل گلوبل آمدنی	9.70	6.24
ناس ٹائٹ کی ریٹرنٹی فنڈ (پاکستانی روپے)	499.08	520.20
دست کے دوران خرچہ کیا گیا	450.98	276.41
دست کے دوران خرچہ کی گئی روپے	-524.27	-1,544.05

الفلاح GHP انکم منشی پلانر فنڈ

سال کے دوران الفلاح GHP انکم منشی پلانر فنڈ نے 8.3 لاکھ روپے کا زیادتی کا نتیجہ دیا۔ 10.8 لاکھ روپے کا نقصان ادا کیا۔

سال کے دوران الفلاح نے پورے سال کے دوران 1388 روپے کی پوز کا نتیجہ دیا۔

Asset Allocation
(as at 30 June 2019)



(روپے میں)

کمپنی ریٹرن اور ہولڈر

تفصیل	ہائے 30 جون 2019 تک سال	ہائے 30 جون 2018 تک سال
اورٹھانٹا	417.93	1,583.75
گھول (تھانٹا)	33.49	108.07
کل گھول	23.62	26.28
ٹھانٹا کی واپسی (تھانٹا)	53,266.7	55,862.5
تھانٹا کے دوران	1,077.94	1,760.83
تھانٹا کے دوران	-1,340.06	-2,921.00

الفلاح GHP سورجین فنڈ

سال کے دوران الفلاح GHP سورجین فنڈ نے 7.68 لاکھ روپے کا زیادتی کا نتیجہ دیا۔ 10.0 لاکھ روپے کا نقصان ادا کیا۔

سال کے دوران الفلاح نے پورے سال کے دوران 3296 روپے کی پوز کا نتیجہ دیا۔

Asset Allocation
(as at 30 June 2019)



(روپے میں)

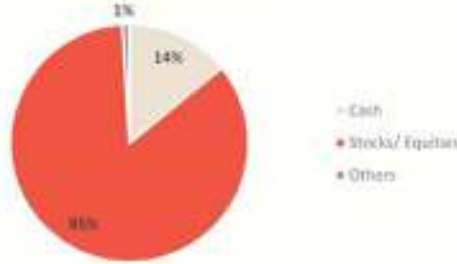
کمپنی ریٹرن اور ہولڈر

تفصیل	ہائے 30 جون 2019 تک سال	ہائے 30 جون 2018 تک سال
اورٹھانٹا	858.85	1,235.94
گھول (تھانٹا)	83.13	80.98
کل گھول	63.07	59.88
ٹھانٹا کی واپسی (تھانٹا)	106,327.0	111,005.0
تھانٹا کے دوران	2,824.15	1,455,015
تھانٹا کے دوران	-2,690.85	-1,898,730

الفلاح GHP اسلامک فنڈ

یہ ماہ 19 کے دوران AGISF نے 18.81 لاکھ روپے کی مجموعی آمدنی کے دوران اپنے پورے اثاثے 23.84 لاکھ روپے تک

Asset Allocation (as at 30 June 2019)



(روپے میں)

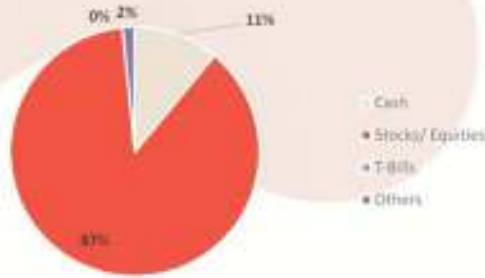
کمپنی ریپرائز اعداد و شمار

تفصیل	یہ ماہ 30 جون 2019 تک	یہ ماہ 30 جون 2018 تک
اور ٹرانس ہائے	3,469.73	5,919.37
مجموعی (تکسٹ) آمدنی	-574.09	-1,132.34
کل مجموعی آمدنی	-691.36	-1,335.15
ٹرانس ہائے کی دیونگی (پاسٹیو) (پاسٹیو)	40,636.9	62,308.8
مدت کے دوران پچاس کا 2%	2,202.39	2,213.02
مدت کے دوران پچاس کی دہائی وصولی	-2,969.29	-5,625.08

الفلاح GHP اسلامک فنڈ

یہ ماہ 19 کے دوران AGSF نے 19.11 لاکھ روپے کی مجموعی آمدنی کے دوران اپنے پورے اثاثے 17.35 لاکھ روپے تک

Asset Allocation (as at 30 June 2019)



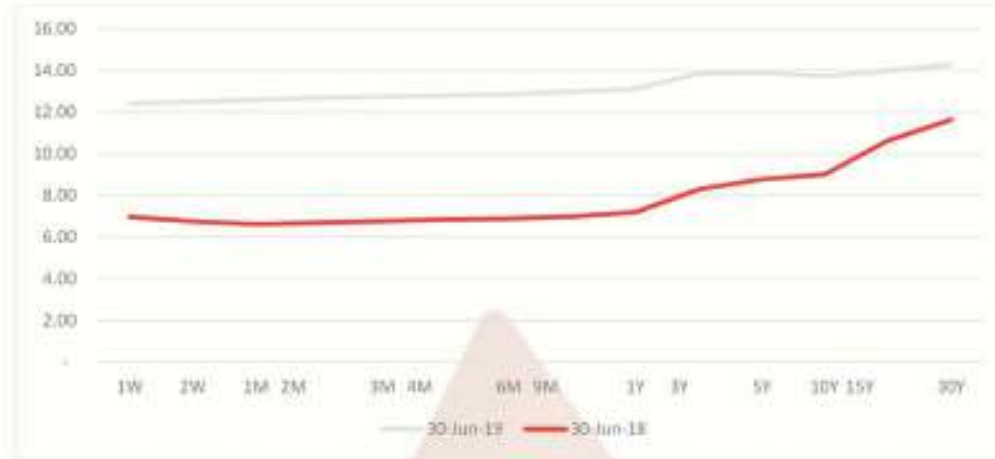
(روپے میں)

کمپنی ریپرائز اعداد و شمار

تفصیل	یہ ماہ 30 جون 2019 تک	یہ ماہ 30 جون 2018 تک
اور ٹرانس ہائے	2,223.66	2,663.39
مجموعی (تکسٹ) آمدنی	-312.44	-404.65
کل مجموعی آمدنی	-386.55	-497.37
ٹرانس ہائے کی دیونگی (پاسٹیو) (پاسٹیو)	98,327.9	133,956.9
مدت کے دوران پچاس کا 2%	1,015.87	2,102.41
مدت کے دوران پچاس کی دہائی وصولی	-1,250.23	-1,912.06

مضی مارکیٹ

مالی سال کے دوران مسلسل باہمیاتی ترقی کی وجہ سے پیسہ مارکیٹ گراف سب کی طرف بڑھتا ہے۔ گزشتہ مالی سال کے دوران باہمیاتی ترقی کی آکڑیوں نے باہمیاتی ترقی کی وجہ سے پیسہ مارکیٹ گراف سب کی طرف بڑھتا ہے۔ گزشتہ مالی سال کے دوران باہمیاتی ترقی کی آکڑیوں نے باہمیاتی ترقی کی وجہ سے پیسہ مارکیٹ گراف سب کی طرف بڑھتا ہے۔ گزشتہ مالی سال کے دوران باہمیاتی ترقی کی آکڑیوں نے باہمیاتی ترقی کی وجہ سے پیسہ مارکیٹ گراف سب کی طرف بڑھتا ہے۔

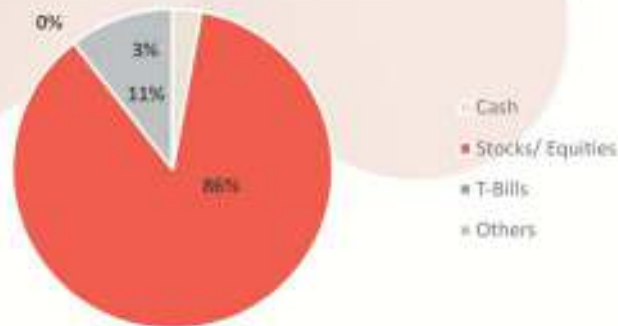


فنانس کی آپریشنز اور کارکردگی

الفلاح GHP الفانس

مالی سال 19 کے دوران AGAF نے اس مدت کے دوران 19.11 فیصد کی ترقی (KSE-100) اور 17.48 فیصد کے ترقی کو دکھایا۔

Asset Allocation (as at 30 June 2019)



(در پے لیٹن میں)

گھری ریفریٹو اور ہونڈ

تاریخ 30 ستمبر 2018ء	تاریخ 30 ستمبر 2019ء	تفصیل
1,821.60	1,532.11	اسٹاکس ہونڈ
-234.71	-242.65	گھری (تفصیل) ہونڈ
-296.39	-293.82	تفصیل ہونڈ
72.52	55.42	تفصیل ہونڈ کی ریفریٹو ہونڈ (اسٹاکس ہونڈ)
960.07	659.16	مدت کے دوران ہونڈ
-265.03	-1,088.71	مدت کے دوران ہونڈ کی ریفریٹو ہونڈ

ڈائریکٹرز کی یونٹ ہولڈرز کو رپورٹ برائے مختتمہ سال 30 جون 2019

ہیرڈ آف ڈائریکٹرز کی جانب سے 30 جون 2019 کو رقم ہونے والے سال کے لئے میں انصاف GHP انگریزی پارکنگ (AGIMF)، انصاف GHP کیش فونڈ (AGCF)، انصاف GHP اسٹاک انڈیکس فونڈ (AGISTF)، انصاف GHP انڈیکس فونڈ (AGAF)، انصاف GHP پیٹرن فونڈ (AGVF)، انصاف GHP سوئٹچ فونڈ (AGSOF)، انصاف GHP انگریزی (AGIF)، انصاف GHP اسٹاک فونڈ (AGSTF)، انصاف GHP قرضی مارکیٹ فونڈ (AGMMB)، انصاف GHP اسٹاک انڈیکس فونڈ (AGHIF)، انصاف GHP پرائیویٹ پی پبلک فونڈ (AGPPF)، انصاف GHP اسٹاک پرائیویٹ پی پبلک فونڈ (AGIPPF)، انصاف GHP انڈیکس فونڈ (AGIDEF)، انصاف GHP اسٹاک انڈیکس فونڈ (AGCPF II) کے رپورٹی کوٹوار سے پیش کرتے ہوئے غوثی نمونہ کرتا ہوں۔

معاشی جائزہ

مالی سال 19 کے دوران پاکستان کا معاشی انفریکشنلٹی جاری اور تیز رفتاری سے جاری رہا۔ پاکستانی معاشی نمو کا تخمینہ 5.5 فیصد سے کم ہو کر 3.3 فیصد تک کم ہوئی۔ سال میں پاکستانی روپیہ کی قدر میں مسلسل 32 فیصد تک کی کمی سے شرح 12.5 فیصد بلند اضافہ کا اضافہ ہوا۔ ان دونوں تبدیلیوں نے بروائی کا فائدہ پہنچانے کو آسان بنانے میں مدد کی کیونکہ سی ڈی پی فیصد کے لحاظ سے کرائٹ اکاؤنٹ خسارہ مالی سال 18 میں 6.3 فیصد کے ہتھیارے میں 4.8 فیصد رہا۔ کیونکہ کمزور پاکستانی روپیہ نے درآمدات کو کم اور برآمدات کو زیادہ بنانے میں مدد کی۔ بیورو آف سٹاتسٹکس نے سٹیٹمنٹس کو اپنا پورے سال کے لیے ایکٹو اور پائیدار بنانے کے لیے 3.8 فیصد کی روٹی کرائی، جو پورے سال کے دوران 18.5 فیصد اضافہ کے ساتھ 19 کے مالی سال 19 کے دوران 19.3 فیصد تک ہوئی۔ مالی سال 19 کے اختتام تک پاکستان نے آئی ایم ایف کی طرف سے ملے کر 100 اقسامی مسائل کے حل کے لئے سٹریٹجی کے تحت مرکزی طور پر 6 بلین امریکی ڈالر کی 39 بونڈ کی توسیعی قرض سہولت (ای ایف ایف) پر مبنی ہے۔ درآمدات پر جانے والے ٹیکس انڈر ایج اور کمزور پبلک سیکٹر پر بھروسہ کرنے کے لئے ایک طرف سے اور کمزور پبلک سیکٹر پر بھروسہ کرنے کے لئے دوسری طرف سے مالی سال 20 کے لئے ٹیکس وصولیوں کا ہدف مقرر کرتے وقت سی ڈی پی کے 5 فیصد تک اضافی ٹیکس وصولیوں کا ہدف 100 اقسامی مسائل کے حل کے لئے سٹریٹجی کے تحت مرکزی طور پر 6 بلین امریکی ڈالر کی 39 بونڈ کی توسیعی قرض سہولت (ای ایف ایف) پر مبنی ہے۔ درآمدات پر جانے والے ٹیکس انڈر ایج اور کمزور پبلک سیکٹر پر بھروسہ کرنے کے لئے ایک طرف سے اور کمزور پبلک سیکٹر پر بھروسہ کرنے کے لئے دوسری طرف سے مالی سال 20 کے لئے سٹریٹجی کے تحت مرکزی طور پر 6 بلین امریکی ڈالر کی 39 بونڈ کی توسیعی قرض سہولت (ای ایف ایف) پر مبنی ہے۔ درآمدات پر جانے والے ٹیکس انڈر ایج اور کمزور پبلک سیکٹر پر بھروسہ کرنے کے لئے ایک طرف سے اور کمزور پبلک سیکٹر پر بھروسہ کرنے کے لئے دوسری طرف سے مالی سال 20 کے لئے سٹریٹجی کے تحت مرکزی طور پر 6 بلین امریکی ڈالر کی 39 بونڈ کی توسیعی قرض سہولت (ای ایف ایف) پر مبنی ہے۔

ایکونومی مارکیٹ کا جائزہ

مالی سال 2019 میں کے ایس ایس 100 انڈیکس 19 فیصد کی گامیوں کی بنا پر گرتے ہوئے مسلسل دوسرے سال بھی رہا۔ بھارت کے ساتھ تیز رفتار نمو ہونے والے مالی سال کی کارکردگی اچھے مارکیٹ انڈیکس کی کوٹیشن 10 سال کی کارکردگی کے ہائل پر عکس ہے جس میں 19 فیصد تیز رفتار نمو کا ہوا۔ اسٹاک مارکیٹ نے ملک میں اقتصادی بھرتی اور پائیدار نمو کی حکمت عملی کی ہے۔ مزید برآں، 100 کی شرحوں میں اضافہ نے اینٹ کھانے کے گورنمنٹ سٹیٹس میں سرمایہ کاروں کے لئے محفوظ سہولتیں فراہم کیا ہے۔ آئی بی سی کے ہونے والے انڈیکس کارکردگی ایسا IMF پر گام مصیبت کے اختتام پر مضمون کی شرحوں کی مجموعی بنی اور مالیاتی مدت میں چلی آئی کی بنا میں کرنی چاہئے۔ مضمون مدت میں انڈیکس آمدنی کی نمو اور اپنا 100 اقسامی مسائل کے حل کے لئے سٹریٹجی کے تحت مرکزی طور پر 6 بلین امریکی ڈالر کی 39 بونڈ کی توسیعی قرض سہولت (ای ایف ایف) پر مبنی ہے۔



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