

ALFALAH GHP SOVEREIGN FUND

ANNUAL REPORT 2016



Alfalah Investments

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**FUND'S INFORMATION**

Management Company:	GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	- Ms. Maheen Rahman - Syed Ali Sultan - Mr. Michael H J Buchen - Mr. Hanspeter Beier - Mr. Amin Dawood Saleh - Mr. Abid Naqvi - Mr. Taufail Jawed Ahmad
Chief Operating Officer, & Company Secretary:	- Noman Ahmed Soomro
Chief Financial Officer:	- Mr. Muhammad Shehzad Dhedhi
Audit Committee:	- Mr. Abid Naqvi - Syed Ali Sultan - Mr. Amin Dawood Saleh
HR Committee:	- Syed Ali Sultan - Mr. Michael Hermann - Ms. Maheen Rahman
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Fund Manager:	- Mr. Nabeel Malik
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA-(f) by PACRA

MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

The Board of Directors of Alfalah GHP Investment Management Limited is pleased to present you the Annual Report of the Alfalah GHP Sovereign Fund for the year ended June 30, 2016.

FY16 Economic Review

Pakistan's economy grew by 4.70% in FY16, the highest rate in the past eight years. This growth was mainly driven by the industrial and services sectors which was able to compensate for the agricultural sector's subdued performance. Positive developments such as greater energy availability, CPEC projects and other development projects are expected to continue to move the economy forward.

Inflation averaged 2.85% during FY16, as opposed to 4.56% in FY15, thanks to the impact of low fuel costs which have filtered into the underlying economy. Going forward, uptrend in prices of energy based commodities combined with a low base effect are likely to result in slightly higher inflation by the end of this year and start of the next. Our estimates suggest that the inflation for FY17 may hover in the range of 4.50%-4.80% which is closely in line with what SBP projections. With the policy rate at 5.75%, we have likely seen a bottoming out of interest rates with a period of stability expected.

The economy's external position remained steady throughout the second half of this fiscal year, with the result that the exchange rate moved by only -0.02% against the USD. Low exports and slowing growth of remittances undermined the benefit from a dip in international crude oil prices. Going forward, threats to the external position emanate from (i) slowing down of official transfers, especially after conclusion of the IMF program in September, 2016, (ii) possible slowdown in the growth rate of remittances, (iii) rise in oil prices, and (iv) a possible dip in export proceeds.

Equity Market:

The KSE-100 index rose by more than 3,300 points during the year to bring the return for FY16 to 9.8%. The market trended downward through the first seven months of the year before turning around towards the end of February. Slipping of international crude oil prices to 12-year lows in 2016, weakness in global equities, continuous selling pressure by foreign investors, and local broker investigations were some of the chief drivers of negative sentiments during the first seven to eight months of the year. The lower interest environment had its impact on investor's confidence on banking sector where a shrinkage in spread was expected going forward. The market finally turned around in February upon a recovery in crude oil prices. Anticipation of Pakistan's reclassification by MSCI as an Emerging Market (EM) further fueled local equities. Even following the surprising vote by the British public to exit the European Union (Brexit), the effect of the same was short lived and the benchmark KSE-100 index recovered sharply by June 2016.

The rally in the last quarter of the year was mostly attributable to anticipation of Pakistan's reclassification as an emerging market by MSCI. The top drivers of the Index were all stocks that were expected to be included in MSCI's Emerging Market Index (Large, Mid and Small-Cap).

Money Market:

Subdued inflation and the resultant slashing of the policy rate twice during FY16, first by 50bps in September 2015 and then by 25bps in May 2016, helped drop yields by 100-250bps during the year. Highest dip in yields was witnessed for 4 to 10 year instruments, with the resultant spread over Discount rate shrinking considerably which signified that the market expects the interest rates to remain lower for longer.

Future Outlook:

The stock market is expected to perform better in FY17 due to (i) Pakistan's equities' reclassification into MSCI's emerging market index, and (ii) announcement of Federal Budget for FY18 that is expected to be friendly towards the business and agricultural sectors as the Government gears up for the final year of its current term.

Given an outlook of subdued inflation in the short term and slightly higher CPI growth towards the end of 2016, it may be expected that the monetary policy rate will remain stable for the medium term. Factors that can lead to a sooner than expected rate hike include (i) further strengthening of oil prices due to reduced gap between demand and supply by 2017, (ii) greater than expected rise in prices of other energy related commodities, and (iii) pressure on PKR due to widening of the current account deficit.

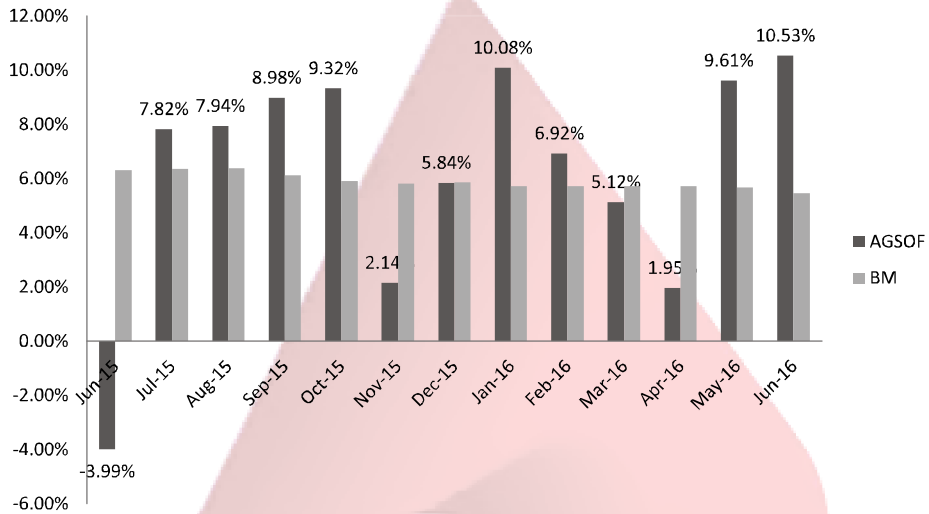
FUND PERFORMANCE AND REVIEW

Alfalsh GHP Sovereign Fund: Fund Operations and Performance

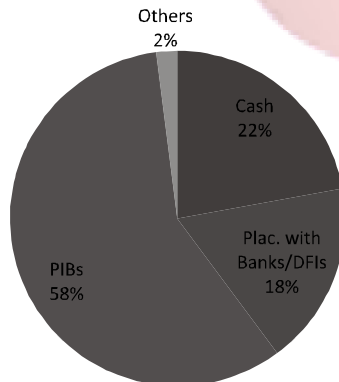
Your Fund posted a return of 7.42% for the year ended June 30, 2016. During the same period the benchmark return (70% 6M T-Bills + 30% 6M deposit rates) was 5.87%. With a view of an expected monetary easing the portfolio allocation was focused on medium to long term government bonds which offered a higher yield in addition to the capital gains since interest rates were at the tail end of the easing cycle. The strategy paid off well as the fund managed to significantly outperform the benchmark.

PACRA has assigned rating at "AA-(f)" to the fund.

AGHP Sovereign Fund Vs Benchmark



AGSOF Asset Allocation



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2016	For the year ended June 30 ,2015
Average Net Assets	8,052.240	7,234.406
Gross income	692.646	496.251
Total Comprehensive Income	192.547	734.078
Net Assets Value per Unit (PKR.)	105.7890	102.8124
Issuance of units during the period	10,818.274	13,713.535
Redemption of units during the period	15,515.187	6,882.554

Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 4.6776 per unit

Corporate Governance

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

- a) Financial Statement represents fairly the state of affairs of Alfalsh GHP Sovereign Fund under management of Alfalsh GHP Investment Management Limited, the results of their operations, cash flows and the changes in Unit-holders funds.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon Alfalsh GHP Sovereign Fund under management of Alfalsh GHP Investment Management Limited's ability to continue as a going concern.
- g) Outstanding statutory payment on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
- h) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- i) The summary of key financial data is given above in this Director Report.
- j) Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- k) The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- l) The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2016 as given in note # 19.3
- m) Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2016 is given in note # 19.3

Board of Directors

Name of Director	Designation	Meetings Held	Meetings Attended	Leave Granted
Syed Ali Sultan	Chairman	5	5	-
Mr. Amin Dawood Saleh	Director	5	5	-
Mr. Michael H J Buchen	Director	5	5	-
Mr. Hanspeter Beier	Director	5	2	68th, 70th & 72nd BOD

Ms. Maheen Rahman	Chief Executive Officer	5	5	-
Mr. Abid Naqvi	Director	5	5	-
Mr. Asif Saad	Director	-	-	-
Syed Tariq Husain	Director	1	-	70th BOD
Mr. Tufail J. Ahmad	Director	2	2	

Change in Board Members during the year

Name	Designation	Appointed	Resigned.
Mr. Asif Saad	Director		Resigned
Syed Tariq Husain	Director	Appointed	Resigned
Mr. Tufail J. Ahmad	Director	Appointed	

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

Audit Committee Meetings

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

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

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
September 22, 2016

REPORT OF THE FUND MANAGER

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.

Market Review

Subdued inflation and the resultant slashing of the policy rate twice during FY16, first by 50bps in September 2015 and then by 25bps in May 2016, helped drop yields by 100-250bps during the year. Highest dip in yields was witnessed for 4 to 10 year instruments, with the resultant spread over Discount rate shrinking considerably which signified that the market expects the interest rates to remain lower for longer.

Given an outlook of subdued inflation in the short term and slightly higher CPI growth towards the end of 2016, it may be expected that the monetary policy rate will remain stable for the medium term. Factors that can lead to a sooner than expected rate hike include (i) further strengthening of oil prices due to reduced gap between demand and supply by 2017, (ii) greater than expected rise in prices of other energy related commodities, and (iii) pressure on PKR due to widening of the current account deficit.

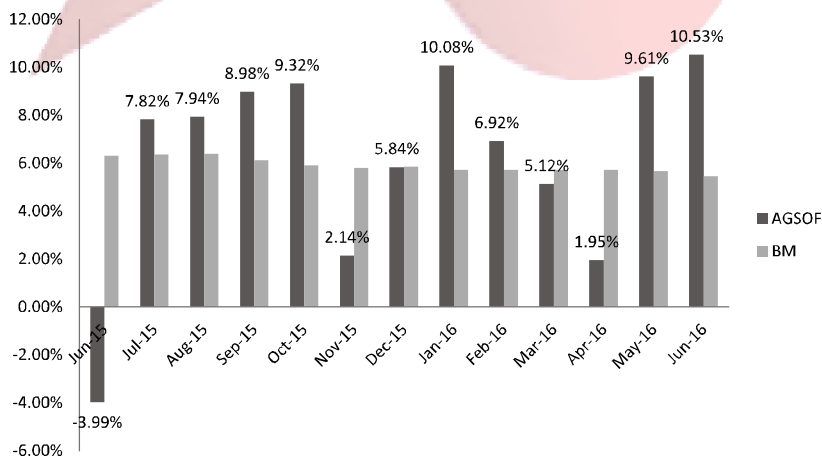
Fund Performance

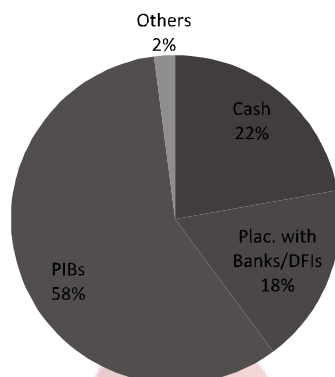
Your Fund posted a return of 7.42% for the year ended June 30, 2016. During the same period the benchmark return (70% 6M T-Bills + 30% 6M deposit rates) was 5.87%. With a view of an expected monetary easing the portfolio allocation was focused on medium to long term government bonds which offered a higher yield in addition to the capital gains since interest rates were at the tail end of the easing cycle. The strategy paid off well as the fund managed to significantly outperform the benchmark.

PACRA has assigned rating at "AA-(f)" to the fund.

Asset Allocation/Portfolio Quality

AGHP Sovereign Fund Vs Benchmark



Assets Allocation/Portfolio quality
AGSOF Asset Allocation

Credit Quality (as % of Total Assets)

Govt. Secs.	58.05%	A	0.00%
AAA	0.00%	A-	0.00%
AA+	5.48%	BBB+	0.00%
AA	34.40%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	2.07%

Future Outlook

Going forward, the focus will be on short-medium term government securities in order to keep the duration in check and the fund will be actively involved in trading of GoP bonds to generate yield enhancement. The fund will maintain low cash reserves, and opt for short term T-Bills to meet regulatory requirement.

Key Financial Data

(Rupees in Million)

Description	For the year ended June 30 ,2016	For the year ended June 30 ,2015
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Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 4.6776 per unit

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

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

**TRUSTEE REPORT TO THE UNIT HOLDERS****ALFALAH GHP 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, 2016 in accordance with the provisions of the following:

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



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

Karachi: September 16, 2016



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

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

1. The Management Company encourages representation of independent, executive and non-executive directors. At June 30, 2016 the Board includes:

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

The Independent Directors meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. One Casual vacancy occurring on the Board on March 18, 2016 was filled within 10 days and another occurring on July 09, 2015 was filled on December 09, 2015.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged two training programs for its directors during the year.
10. The Board has approved appointment of CFO including the remuneration and terms and conditions of appointment.

11. The Directors' Report of the Fund for the year ended June 30, 2016 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO / COO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding.
14. The Management Company and Funds under its Management have complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The board has outsourced the internal audit function to M. Yousuf Adil Saleem & Co., Chartered Accountants (a member firm of Deloitte Touché Tohmatsu International), who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'Book Closure' dates were duly determined and intimated to the stock exchange, however the 'closed period' prior to the announcement of interim / final results, and business decisions was not determined and intimated to directors, employees and the stock exchange, considering the fact that NAV of the Fund is announced on a daily basis.
22. Material/price sensitive information has been disseminated among all market participants at once through the Exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board

**Maheen Rahman
Chief Executive Officer**



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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ey.khi@pk.ey.com
ey.com/pk

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

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Alfalah GHP Investment Management Limited (the Management Company) of **Alfalsh GHP Sovereign Fund** (the Fund) for the year ended **30 June 2016** to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.23 of the Code of Corporate Governance, where the Fund is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended 30 June 2016.

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

Paragraph Reference	Description
4	The casual vacancy occurring on the Board on 09 July 2015 was not filled within 90 days.
21	The 'closed period' was not determined and intimated to directors, employees and stock exchange.

EYK

Chartered Accountants

Karachi

Date:



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Alfalah GHP Sovereign Fund** (the Fund), which comprise the statement of assets and liabilities as at 30 June 2016, and the related statements of income, comprehensive income, cash flows, distribution and movement in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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





-: 2 :-

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at 30 June 2016 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Chartered Accountants

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Audit Engagement Partner: Shabbir Yunus

Date:

Karachi

A member firm of Ernst & Young Global Limited

STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015
Assets			
Bank balances	4	686,696,910	920,882,900
Investments	5	2,351,303,822	6,266,318,786
Deferred formation cost	6	1,096,799	1,481,323
Prepayments and mark-up receivable	7	62,131,364	187,744,950
Total assets		<u>3,101,228,895</u>	<u>7,376,427,959</u>
Liabilities			
Payable to the Management Company	8	32,038,523	15,093,622
Payable to the Trustee	9	1,119,099	443,362
Annual fee payable to Securities and Exchange Commission of Pakistan (SECP)	10	6,040,329	2,412,307
Provision for Workers' Welfare Fund (WWF)	11	15,107,679	15,107,679
Distribution payable		-	28,004,222
Accrued and other liabilities	12	59,796,884	80,960,303
Total liabilities		<u>114,102,514</u>	<u>142,021,495</u>
Net assets attributable to unit holders		<u>2,987,126,381</u>	<u>7,234,406,464</u>
Unit holders' funds (as per the statement attached)		<u>2,987,126,381</u>	<u>7,234,406,464</u>
Contingencies and commitments	13	----- (Number of units) -----	
Number of units in issue		<u>28,236,636</u>	<u>70,365,083</u>
		----- (Rupees) -----	
Net asset value per unit		<u>105.7890</u>	<u>102.8124</u>

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

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
Income		
Finance income	14 619,250,930	304,607,251
'At fair value through profit or loss' - held-for-trading		
- Net gain on sale of investments	6,427,975	37,355,618
- Net unrealised gain on revaluation of investments	66,967,540	154,288,252
Total income	692,646,445	496,251,121
Expenses		
Remuneration of the Management Company	8.1 80,538,017	32,163,999
Sales tax on management fee	13,079,378	5,596,540
Federal excise duty on management fee	15 12,886,081	5,146,245
Remuneration of the Trustee	6,789,153	3,112,688
Sales tax on Trustee fee	950,485	-
Annual fee to the SECP	6,040,354	2,412,307
Brokerage expense	947,762	603,890
Bank charges	83,788	46,672
Amortisation of deferred formation cost	384,524	383,469
Auditors' remuneration	16 414,750	411,250
Annual listing fee	40,028	40,000
Annual rating fee	281,714	235,135
Printing charges	150,000	124,928
Expenses allocated by the Management Company	8.2 4,831,552	-
Provision for Workers' Welfare Fund (WWF)	11 -	14,981,182
Total expenses	127,417,586	65,258,305
Net income from operating activities	565,228,859	430,992,816
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net	(372,681,953)	303,085,110
Net income for the year before taxation	192,546,906	734,077,926
Taxation	18 -	-
Net income for the year after taxation	192,546,906	734,077,926

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
Net income for the year after taxation	192,546,906	734,077,926
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>192,546,906</u>	<u>734,077,926</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015
Undistributed income carried forward:			
- Realised gains		38,651,642	804,301
- Unrealised gains / (losses)		154,288,252	(427,058)
		192,939,894	377,243
 Element of loss and capital losses included in prices of units sold less those in units redeemed - net		(115,514,271)	-
 Total comprehensive income for the year		192,546,906	734,077,926
 Interim distribution of cash dividend @ 4.6776 per unit (2015: @ 13.6802 per unit) approved on June 29, 2016		(115,595,269)	(541,515,275)
 Undistributed income carried forward		154,377,260	192,939,894
 Undistributed income carried forward:			
- Realised gains		87,409,720	38,651,642
- Unrealised gains		66,967,540	154,288,252
		154,377,260	192,939,894

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
Net assets at beginning of the year	7,234,406,464	513,947,388
Amount realised on issuance of 101,707,476 units (2015: 126,952,302 units)	10,818,273,942	13,713,535,341
Amount paid / payable on redemption of 143,835,923 units (2015: 61,722,845 units)	(15,515,187,617)	(6,882,553,806)
	2,537,492,789	7,344,928,923
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	372,681,953	(303,085,110)
Total comprehensive income for the year before capital gains - realised and unrealised	119,151,391	542,434,056
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	6,427,975	37,355,618
Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading	66,967,540	154,288,252
Total comprehensive income for the year	192,546,906	734,077,926
Interim distribution of cash dividend @ 4.6776 per unit (2015: @ 13.6802 per unit) approved on June 29, 2016	(115,595,269)	(541,515,275)
Net assets at end of the year	2,987,126,381	7,234,406,464
[Net asset value: Rs.105.789 per unit (2015: Rs.102.812 per unit)]		

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	192,546,906	734,077,926
Adjustments for:		
Amortisation of deferred formation cost	384,524	383,469
Provision for Workers' Welfare Fund (WWF)	-	14,981,182
Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading	(66,967,540)	(154,288,252)
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	(6,427,975)	(37,355,618)
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	372,681,953	(303,085,110)
Amortisation of (premium) / discount on investments	45,720,444	5,373,229
Unwinding of discounting income	537,938,312	260,086,826
Decrease / (increase) in assets		
Investments - net	3,349,713,450	(4,453,504,154)
Profit and other receivable	125,613,586	(169,248,934)
	3,475,327,036	(4,622,753,088)
(Decrease) / increase in liabilities		
Payable to the Management Company	16,944,901	12,498,780
Payable to the Trustee	675,737	380,237
Annual fee payable to SECP	3,628,022	2,359,370
Distribution payable	(28,004,222)	28,004,222
Accrued and other liabilities	(64,405,181)	80,486,910
	(71,160,743)	123,729,519
Net cash generated from / (used in) operating activities	3,942,104,605	(4,238,936,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	10,818,273,942	13,713,535,341
Payments made against redemption of units	(15,481,142,429)	(6,882,553,806)
Dividend paid	(106,398,695)	(541,515,275)
Net cash (used in) / generated from financing activities	(4,769,267,182)	6,289,466,260
Net (decrease) / increase in cash and cash equivalents during the year	(827,162,577)	2,050,529,517
Cash and cash equivalents at the beginning of the year	2,064,928,597	14,399,080
Cash and cash equivalents at end of the year	17 1,237,766,020	2,064,928,597

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Sovereign Fund (the Fund) was constituted under Trust Deed dated April 21, 2014 between Alfalah GHP Investment Management Limited (AGIML) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust deed was registered with Sub-Registrar on May 06, 2014.

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

The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/IGIFL/261/2012 dated September 11, 2012 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. SCD/AMCW/DD-ZRK/AFGIML/961/2014 dated April 21, 2014.

The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange Limited (Formerly: Lahore Stock Exchange Limited). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2' to the Management Company in its rating report dated June 08, 2016 and AA-(f) to the Fund in its rating report dated December 31, 2015.

The 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

The financial statements for the period ended June 30, 2016, have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and directives issued by SECP. In case where requirements differ, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Accounting estimates and judgments

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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



3.1 New and amended standards and interpretations

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

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above accounting standards did not have any effect on the financial statements, except for IFRS 13, which requires certain additional disclosure (see note 20.6).

3.2 Financial instruments

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

a) Financial instruments at fair value through profit or loss

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

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

b) Available-for-sale

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

c) Loans and receivables

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

d) Financial liabilities

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

Recognition

The Fund recognizes financial assets and financial liabilities on the date when it becomes a party to the contractual provisions of the instrument. A regular way purchase of financial assets is recognized using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

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

Measurement

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

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

Fair value measurement principles

Basis of valuation of Quoted Equity Securities

The fair value of quoted equity securities is based on their price quoted on the Pakistan Stock Exchange Limited (Formerly: Lahore Stock Exchange Limited) at the balance sheet date without any deduction for estimated future selling costs.

Government securities

The Government securities are revalued at their fair values (determined by reference to the quotations obtained from the PKRV and PKISRV Reuters rate circulated by Mutual Funds Association of Pakistan), based on the remaining tenure of the security.

3.3 Impairment

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

However, the decrease in impairment loss on equity securities classified as 'available-for-sale' is recognized in other comprehensive income and for debt securities classified as 'available-for-sale' is recognized income statement.

3.4 Derecognition

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

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

3.5 Unit holders' fund

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

3.6 Issue and redemption of units

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

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

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

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

The element of income and capital gains included in the prices of units issued less those in unit redeemed to the extent that is represented by distributable income earned during the year is recognised in the income statement and the element of income and capital gains represented by distributable income carried forward from prior periods is included in the distribution statement.

During the year, the management has revised the method of computation of the "Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed" (the Element) in the Fund. As per revised methodology, the Element is arrived at by recording element gain / (loss) on every issuance and redemption using adjusted profit factor of that particular day. Previously, the Fund used to calculate the Element by comparing unit prices with opening Ex-Net Assets Value (NAV) at the beginning of the financial year.



The impact of change has been incorporated in the financial statements of the Fund with effect from July 01, 2015. The revised methodology would ensure that the continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units.

Since the element is an equalisation account between income for the period and undistributed income, the change did not have any impact on Net Asset Value (NAV) of the Fund. Had the methodology not been changed, the net income for the year ended June 30, 2016 would have been higher by Rs. 7.049 million.

3.8 Provisions

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

3.9 Preliminary expenses and floatation costs

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

3.10 Net asset value per unit

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

3.11 Earnings per unit

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.

3.12 Taxation

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

3.13 Offsetting of financial instruments

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

3.14 Revenue recognition

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

3.15 Expenses

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

3.16 Cash and cash equivalents

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

**3.17 Dividend distribution and appropriations**

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

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

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

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment) an Investor and its Associate or Joint Venture (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

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

In addition to the above standards and interpretations, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2015. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

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

Standard	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	-----
4. BANK BALANCES			
Bank balances	4.1	<u>686,696,910</u>	<u>920,882,900</u>
4.1 These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 5.50% to 6.70% (2015: 6.00% to 7.00%) per annum. This includes Rs.516.743 million (2015: Rs.918.968 million) placed with Bank Alfalah Limited (a related party).			

5. INVESTMENTS

Financial assets classified as 'at fair value through profit or loss' - held-for-trading

Market treasury bills	5.1	-	2,008,988,095
Pakistan Investment Bonds	5.2	1,800,234,712	4,257,330,691
Held to maturity			
Letters of Placement	5.3	-	-
Term Deposit Receipts	5.4	551,069,110	-
		<u>2,351,303,822</u>	<u>6,266,318,786</u>

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

	Face value			As at June 30, 2016	Carrying Value June 30, 2016	Market value as at June 30, 2016	Unrealised gain on revaluation	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
	As at July 01, 2015	Purchased during the year	Sold / matured during the year						
	----- (No. of certificates) -----			----- (Rupees) -----			----- (%) -----		
Market Treasury Bills - 3 months	1,750,000	47,116,000	48,866,000	-	-	-	-	-	-
Market Treasury Bills - 6 months	11,750,000	70,400,000	82,150,000	-	-	-	-	-	-
Market Treasury Bills - 12 months	7,050,000	48,300,000	55,350,000	-	-	-	-	-	-
Total as at June 30, 2016	<u>20,550,000</u>	<u>165,816,000</u>	<u>186,366,000</u>	-	-	-	-	-	-
Total as at June 30, 2015	<u>1,350,000</u>	<u>90,870,000</u>	<u>71,670,000</u>	<u>20,550,000</u>	<u>2,005,154,236</u>	<u>2,008,988,095</u>	<u>3,833,859</u>		

5.2 Pakistan Investment Bonds - 'at fair value through profit or loss' - held-for-trading

Note	Face value				Carrying Value June 30, 2016	Market value as at June 30, 2016	Unrealised gain on revaluation	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value	
	As at July 01, 2015	Purchased during the year	Sold / matured during the year	As at June 30, 2016						
----- (No. of certificates) -----					----- (Rupees) -----		----- (%) -----			
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Pakistan Investment Bonds - 3 years	5.2.1	26,700,000	8,950,000	32,750,000	2,900,000	292,402,755	302,945,763	10,543,008	10.14%	16.83%
Pakistan Investment Bonds - 5 years	5.2.2	9,100,000	4,850,000	7,850,000	6,100,000	607,542,177	691,555,581	84,013,404	23.15%	38.41%
Pakistan Investment Bonds - 10 years	5.2.3	4,250,000	7,850,000	5,250,000	6,850,000	776,189,548	805,733,368	29,543,820	26.97%	44.76%
Total as at June 30, 2016		40,050,000	21,650,000	45,850,000	15,850,000	1,676,134,480	1,800,234,712	124,100,232		
Total as at June 30, 2015		3,550,000	47,800,000	11,300,000	40,050,000	4,106,872,924	4,257,330,691	150,457,767		

5.2.1 These represent Pakistan Investment Bonds having face value of Rs.290 million (2015: Rs.2,670 million) carrying purchase yield of 5.99% (2015: 7.06% to 12.51%) per annum. These Pakistan Investment Bonds will mature on March 26, 2018 (2015: March 26, 2018).

5.2.2 These represent Pakistan Investment Bonds having face value of Rs.610 million (2015: Rs.910 million) carrying purchase yield ranging between 6.03% to 6.3% (2015: 8.46% to 12.98%) per annum. These Pakistan Investment Bonds will mature between July 18, 2018 and March 26, 2020 (2015: March 26, 2020).

5.2.3 These represent Pakistan Investment Bonds having face value of Rs.685 million (2015: Rs.425 million) carrying purchase yield ranging between 6.87% to 7.58% (2015: 9.81% to 10.45%) per annum. These Pakistan Investment Bonds will mature between July 19, 2022 and April 21, 2026 (2015: March 26, 2025).

5.3 Letters of placement - held to maturity

Name of the investee company	Rate of return per annum	Face value			Carrying value as at June 30, 2016	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets
		As at July 01, 2015	Purchased during the year	Matured during the year					
----- (Rupees) -----					----- (%) -----				
Pak Brunei Investment Company Limited	6.70%	-	300,000,000	300,000,000	-	-	-	-	-
Total as at June 30, 2016		-	300,000,000	300,000,000	-	-			
Total as at June 30, 2015		-	575,000,000	575,000,000	-	-			

5.4 Term Deposit Receipts - held to maturity

Name of the investee company	Rate of return per annum	Face value			Carrying value as at June 30, 2016	Maturity	Rating	Face value as percentage of total investments	Face value as percentage of net assets	
		As at July 01, 2015	Purchased during the year	Matured during the year						As at June 30, 2016
----- (Rupees) -----					----- (%) -----					
Allied Bank Limited	6.7% to 7.25%	-	1,750,000,000	1,750,000,000	-	-	-	-	-	
Bank Alfalah Limited (Related Party)	6.45% to 7.25%	-	1,230,000,000	680,000,000	550,000,000	551,069,110	August 22, 2016	AA/ A1+	100.00%	18.41%
Total as at June 30, 2016		-	2,980,000,000	2,430,000,000	550,000,000	551,069,110				
Total as at June 30, 2015		-	-	-	-	-				

- 5.5 Circular No. 16 dated July 07, 2010 issued by the SECP requires details of investments not compliant with the investment criteria specified for the category assigned to open-end collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in the annual accounts of the Fund. The table below gives the details of such non-compliant investments.

Disclosure of excess exposure as at June 30, 2016

Name of Investment	Exposure Type	% of net assets	Limit in % as per Offering Document	Excess in %
Term deposit receipts				
Bank Alfalah Limited (Related Party)	Per certificate	18.41	10	8.41

6. DEFERRED FORMATION COST

	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
Formation cost incurred		1,481,323	1,864,792
Amortised during the year		(384,524)	(383,469)
Unamortised cost at the end of the year		<u>1,096,799</u>	<u>1,481,323</u>

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 are being amortised over a period of five years effective from May 10, 2014, i.e. after the end of initial period of the Fund.

7. PREPAYMENTS AND MARK-UP RECEIVABLE

Prepayments:

- Annual listing fee	17,119	17,147
- PACRA rating fee	185,737	191,571

Mark-up receivable on:

- Bank balances	2,566,637	2,686,645
- Pakistan investment bonds	59,361,871	184,849,586
	<u>62,131,364</u>	<u>187,744,949</u>

8. PAYABLE TO THE MANAGEMENT COMPANY

Remuneration payable	8.1	6,073,218	4,412,554
Sales tax on management fee		2,474,326	2,262,270
Federal excise duty on management fee	15	18,099,657	5,213,576
Formation cost payable		5,000	1,919,423
Sales load payable		628,612	1,235,799
Expenses allocated by the Management Company	8.2	4,707,710	-
Other payables		50,000	50,000
		<u>32,038,523</u>	<u>15,093,622</u>



- 8.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the NBFC Regulations, of an amount not exceeding three percent per annum of the average daily net assets of the Fund during first five years of the Fund's existence and thereafter an amount equal to two percent per annum of such assets of the Fund. Currently, the Management Fee is charged @ 1% (2015: 1%) of the average daily net assets of the Fund.
- 8.2 This represents the amount payable to the Management Company under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar, accounting, and other services related to CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less.

9. PAYABLE TO THE TRUSTEE

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015 -----
Trustee fee	9.1	981,881	443,362
Sales tax on trustee fee		137,218	-
		<u>1,119,099</u>	<u>443,362</u>

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

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

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% (2015: 0.075%) of the average daily net assets of the Fund.

11. PROVISION FOR WORKERS' WELFARE FUND (WWF)

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

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

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

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

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



The Management Company, as a matter of abundant caution, has made provision for WWF amounting to Rs.15.108 million up till June 30, 2015 (2015: Rs.15.108 million) in these financial statements as the above lawsuit is pending in the SHC. Had the provision not been made, the NAV per unit would have been higher by Re.0.54 (0.51%) per unit (2015: Re.0.21 (0.20%) per unit).

12. ACCRUED AND OTHER LIABILITIES

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
Capital gains tax	34,045,188	17,440,966
Withholding tax	9,277,841	44,779,655
Auditors' remuneration	420,661	415,682
Brokerage	233,482	271,943
Printing charges	58,071	41,768
Sales load	15,761,641	18,010,289
	59,796,884	80,960,303

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2016.

14. FINANCE INCOME

Interest income on:

Investments classified as 'at fair value through profit or loss' - held-for-trading

- Market Treasury bills	219,285,370	84,399,987
- Pakistan investment bonds	341,940,179	198,610,261
	561,225,549	283,010,248

Held to maturity

- Letters of placement	2,918,630	147,842
- Term deposit receipts	25,586,866	-
	28,505,496	147,842
	589,731,045	283,158,090

Others

- Bank deposits	29,519,885	21,449,161
	619,250,930	304,607,251

15. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax thereon in its financial statements with effect from June 13, 2013.

As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

Subsequent to the year end, the Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. The management is however of the view that since the Federal Government still has the right to appeal against the order, the previous balance of FED cannot be reversed. As per the Finance Act, 2016, the management fees charged by the asset management company have been declared exempt from the levy of FED with effect from July 01, 2016. Accordingly, no provision for FED is made from July 01, 2016 onwards.

The Management Company, in view of the pending decision and as a matter of abundant caution has made a provision for FED in the books of accounts of the Fund with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.18.100 million (2015: Rs.5.214 million).

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
16. AUDITORS' REMUNERATION		
Audit fee	209,000	209,000
Other certification and services	141,000	141,000
	350,000	350,000
Sales tax	21,000	17,500
Out of pocket expenses	43,750	43,750
	<u>414,750</u>	<u>411,250</u>

17. CASH AND CASH EQUIVALENTS

Bank balances	686,696,910	920,882,900
Term Deposit Receipts - held to maturity	551,069,110	-
Treasury bills maturing within 3 months	-	1,144,045,697
	<u>1,237,766,020</u>	<u>2,064,928,597</u>

18. TAXATION

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

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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



19.1 Other transactions

	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	<u>80,538,017</u>	32,163,999
Sales tax on management fee	<u>13,079,378</u>	5,596,540
Federal excise duty on management fee	<u>12,886,081</u>	5,146,245
Expenses allocated by the Management Company	<u>4,831,552</u>	-
Bank Alfalsh Limited		
Mark-up on bank deposits	<u>13,726,080</u>	21,449,161
Bank charges	<u>83,578</u>	46,672
Market Treasury Bills - purchased	<u>4,214,012,500</u>	2,142,610,465
Market Treasury Bills - sold	<u>1,083,294,525</u>	49,871,550
Pakistan Investment Bonds - purchased	<u>332,205,500</u>	1,371,706,850
Pakistan Investment Bonds - sold	<u>103,511,800</u>	-
Term Deposit Receipt - purchased	<u>1,230,000,000</u>	-
Term Deposit Receipt - Matured	<u>680,000,000</u>	-
Mark-up on Term Deposit Receipts	<u>9,443,357</u>	-
Alfalsh GHP Income Multiplier Fund (Common Management)		
Market Treasury Bills - purchased	<u>252,018,610</u>	408,294,210
Market Treasury Bills - Sold	<u>209,565,940</u>	-
Pakistan Investment Bonds - sold	<u>-</u>	49,346,700
Alfalsh GHP Money Market Fund - (Common Management)		
Market Treasury Bills - purchased	<u>803,517,830</u>	600,467,035
Market Treasury Bills - sold	<u>308,165,520</u>	49,370,350
Pakistan Investment Bonds - sold	<u>254,689,000</u>	-
Alfalsh GHP Cash Fund - (Common Management)		
Market Treasury Bills - purchased	<u>9,972,420</u>	831,908,560
Market Treasury Bills - sold	<u>84,287,955</u>	-
Alfalsh GHP Income Fund - (Common Management)		
Market Treasury Bills - purchased	<u>192,106,375</u>	-
Market Treasury Bills - sold	<u>99,781,800</u>	-
Pakistan Investment Bonds - purchased	<u>-</u>	55,374,350
Pakistan Investment Bonds - sold	<u>28,645,425</u>	-
Alfalsh GHP Stock Fund - (Common Management)		
Market Treasury Bills - sold	<u>-</u>	44,825,895



Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee
Sales tax on Trustee fee

June 30, 2016	June 30, 2015
----- (Rupees) -----	
6,789,153	3,112,688
950,485	-

19.2 Other balances

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Remuneration payable to the Management Company
Sales tax payable on management fee
Federal excise duty on management fee
Formation cost payable
Sales load payable
Other payables
Expenses allocated by the Management Company

6,073,218	4,412,554
2,474,326	2,262,270
18,099,657	5,213,576
5,000	1,919,423
628,612	1,235,799
50,000	50,000
4,707,710	-

Bank Alfalsh Limited

Bank balance
Mark-up receivable

516,742,645	918,968,477
1,243,173	2,686,645

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee
Sales tax on Trustee fee

981,881	443,362
137,218	-

19.3 Unit Holders' Fund

June 30, 2016

	As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	As at June 30, 2016	As at July 01, 2015	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2016
	----- (Units) -----				----- (Rupees) -----					
Associated companies / undertakings										
Bank Alfalsh Limited	1,978,187	-	87,472	87,472	1,978,187	203,382,106	-	9,523,165	9,253,165	209,270,425
Alfalsh GHP Capital Preservation Fund *	4,157,002	31,741,258	456,287	30,966,939	5,387,608	427,391,415	3,429,178,264	48,267,829	3,321,178,263	569,949,663
Alfalsh GHP Prosperity Planning Fund	-	3,036,214	-	2,298,898	737,316	-	324,683,074	-	252,854,651	77,999,922
Alfalsh GHP Investment Management Limited - Staff Provident Fund	24,127	4,325	-	28,452	-	2,480,574	455,873	-	3,137,348	-
Alfalsh GHP Investment Management Limited	1,912,991	227,436	154,667	230,069	2,065,025	196,679,123	24,313,245	16,361,278	17,650,570	218,456,930
Key management personnel										
Head of Corporate Strategy	6,887	3,332	158	8,417	1,960	708,075	359,633	16,755	875,271	207,346

19.3 Unit Holders' Fund

June 30, 2015

	As at June 30, 2014	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	As at June 30, 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in	Dividend	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2015
	----- (Units) -----				----- (Rupees) -----					
Associated companies / undertakings										
Bank Alfalah Limited *	1,978,187	-	-	-	1,978,187	197,966,820	-	-	-	203,382,106
Alfalah GHP Capital Preservation Fund	-	7,642,557	487,257	3,972,812	4,157,002	-	822,500,000	49,984,865	438,000,000	427,391,415
Alfalah GHP Investment Management Limited - Staff Provident Fund	-	21,299	2,828	-	24,127	-	2,465,000	290,112	-	2,480,574
Alfalah GHP Investment Management Limited	746,595	2,076,027	-	909,631	1,912,991	74,715,411	213,826,342	-	105,279,137	196,679,123
Key management personnel										
Head of Corporate Strategy	-	8,747	-	1,860	6,887	-	916,000	75,415	215,000	708,075
Head of Administration	-	887	-	887	-	-	100,000	-	101,135	-
Head of Finance	3,106	-	-	3,106	-	310,793	-	-	315,043	-
AVP - Human Resource	-	5,237	-	5,237	-	-	600,000	-	611,771	-
VP - Head of Wealth Management	-	4,243	-	4,243	-	-	482,982	-	484,580	-

* This unit holder also holds more than 10% units of the Fund.

20. FINANCIAL RISK MANAGEMENT

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

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

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

The Fund primarily invests in a portfolio of money market investments such as investment-grade debt securities, secured privately placed instruments, spread transactions, continuous funding system transactions and investments in other money market instruments (including the clean placements). Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to credit risk, liquidity risk, market risk and operational risk.

20.1 Credit risk

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

Management of credit risk

The Fund's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. The Investment Committee closely monitors the creditworthiness of the Fund's counterparties (e.g., issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Fund only invests in the high quality financial assets, majority of which have been rated by a reputable rating agency. All transactions in debt securities are settled / paid upon delivery. The risk of default in such transactions is considered minimal, as delivery of securities is guaranteed by reputable brokers or the transactions are carried with counter parties of high reputation. Further, bank accounts are held only with reputable banks.

Exposure to credit risk

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

	June 30, 2016 ----- (Rupees) -----	June 30, 2015 -----
Bank balances	686,696,910	920,882,900
Term deposit receipts	551,069,110	-
Mark-up receivable on bank deposit	2,566,637	2,686,645
	<u>1,240,332,657</u>	<u>923,569,545</u>

Bank Balances are kept with and interest is receivable from a commercial banks with credit rating was AA+ / A1+ as at June 30, 2016 as per credit rating issued by Pakistan Credit Rating Agency Limited (PACRA). Interest income receivable on bank deposits was received subsequently.

Investments in Market Treasury Bills and Pakistan Investment Bonds do not expose the Fund to credit risk as the counter party is the Government of Pakistan.

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at June 30, 2016.

Concentration of the credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Concentration of credit risk is determined with references to the individual counter parties. As at June 30, 2016 Fund's exposure to credit risk in respect of the assets other than investment in government securities amounted to Nil.

20.2 Liquidity risk

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

Management of liquidity risk

The Fund's policy is to manage this risk by investing in Fixed income products and by keeping adequate assets as cash and cash equivalents. Further the Fund may also invests in assets that are tradable and can be disposed. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements.

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

Maturity analysis for financial liabilities

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

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

	As at June 30, 2016			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	----- (Rupees) -----			
Financial liabilities				
Payable to the Management Company	11,414,540	11,414,540	-	-
Payable to the Trustee	981,881	981,881	-	-
Accrued and other liabilities	16,452,855	15,995,123	457,732	-
	<u>28,849,276</u>	<u>28,391,544</u>	<u>457,732</u>	<u>-</u>
	As at June 30, 2015			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	----- (Rupees) -----			
Financial liabilities				
Payable to the Management Company	7,567,776	7,567,776	-	-
Payable to the Trustee	443,362	443,362	-	-
Accrued and other liabilities	18,722,182	18,282,232	439,950	-
	<u>26,733,320</u>	<u>26,293,370</u>	<u>439,950</u>	<u>-</u>

Above financial liabilities do not carry any mark-up.

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

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

**20.3 Market risk**

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

Management of market risk

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

Currency risk

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

Interest rate risk

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

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
Fixed rate instruments		
Market Treasury bills	-	2,008,988,095
Pakistan Investment Bonds	1,800,234,712	4,257,330,691
Term Deposit Receipts	551,069,110	-
Variable rate instruments		
Bank balances	686,696,910	920,882,900

Fair value sensitivity analysis for fixed rate instruments

In case of 100 basis points increase / decrease in interest rate (determined by market forces) at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.65.515 million (2015: Rs.96.519 million). This analysis assumes that all other variables remain constant.

Cash flow sensitivity analysis for variable rate instruments

In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.6.867 million (2015: Rs.9.209 million).



June 30, 2016

	Yield / Effective interest rate (%)	Exposed to yield / interest rate 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						
Balances with banks	5.5 - 6.70	686,696,910	-	-	-	686,696,910
Investments classified:						
'At fair value through profit or loss' - held-for-trading						
- Pakistan Investment						
Bonds	5.99 - 7.58	-	-	1,800,234,712	-	1,800,234,712
- Term deposit receipts	6.45 - 7.25	-	-	-	551,069,110	551,069,110
Mark-up receivables		-	-	-	61,928,508	61,928,508
		<u>686,696,910</u>	<u>-</u>	<u>1,800,234,712</u>	<u>612,997,618</u>	<u>3,099,929,240</u>
Financial Liabilities						
Payable to the Management Company		-	-	-	11,414,540	11,414,540
Payable to the Trustee		-	-	-	981,881	981,881
Accrued and other liabilities		-	-	-	16,452,855	16,452,855
		<u>-</u>	<u>-</u>	<u>-</u>	<u>28,849,276</u>	<u>28,849,276</u>
On-balance sheet gap		<u>686,696,910</u>	<u>-</u>	<u>1,800,234,712</u>	<u>584,148,342</u>	<u>3,071,079,964</u>

June 30, 2015

	Yield / Effective interest rate (%)	Exposed to yield / interest rate 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						
Balances with banks	6.00 - 7.00	920,882,900	-	-	-	920,882,900
Investments classified:						
'At fair value through profit or loss' - held-for-trading						
- Market treasury bills	6.60 - 8.49	1,144,045,697	864,942,398	-	-	2,008,988,095
- Pakistan Investment Bonds	7.06 - 12.98	-	-	4,257,330,691	-	4,257,330,691
Mark-up receivables		-	-	-	187,536,231	187,536,231
		<u>2,064,928,597</u>	<u>864,942,398</u>	<u>4,257,330,691</u>	<u>187,536,231</u>	<u>7,374,737,917</u>
Financial Liabilities						
Payable to the Management Company		-	-	-	7,567,776	7,567,776
Payable to the Trustee		-	-	-	443,362	443,362
Accrued and other liabilities		-	-	-	18,722,182	18,722,182
		<u>-</u>	<u>-</u>	<u>-</u>	<u>26,733,320</u>	<u>26,733,320</u>
On-balance sheet gap		<u>2,064,928,597</u>	<u>864,942,398</u>	<u>4,257,330,691</u>	<u>160,802,911</u>	<u>7,348,004,597</u>

20.4 Operational risk

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

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors. The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

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

20.5 Unit Holders' Fund risk management

Management's objective when managing unit holders' funds is to safe guard 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' funds.

Management Company manages fund's investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The unit holders' funds structure depends on the issuance and redemption of units.

Under regulation 43(e) of the NBFC Regulations, the Management Company is required to invest or arrange an investment of at least Rs.50 million in the Fund for a period of two years from the date of close of initial offer period i.e. May 28, 2010. However, the Fund has complied with risk management.

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.

20.6 Fair value of financial instruments

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has no affect on the financial statements.

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

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	As at June 30, 2016			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Investments classified as 'at fair value through profit or loss' - held-for-trading				
Pakistan Investment Bonds	-	<u>1,800,234,712</u>	-	<u>1,800,234,712</u>
	-	<u>1,800,234,712</u>	-	<u>1,800,234,712</u>

	As at June 30, 2015			
	Level 1	Level 2	Level 3	Total
Investments classified as 'at fair value through profit or loss' - held-for-trading	----- (Rupees) -----			
Market Treasury bills	-	2,008,988,095	-	2,008,988,095
Pakistan Investment Bonds	-	4,257,330,691	-	4,257,330,691
	<u>-</u>	<u>6,266,318,786</u>	<u>-</u>	<u>6,266,318,786</u>

During the year ended June 30, 2016, 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. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on September 22, 2016

23. GENERAL

23.1 Figures are rounded off to the nearest rupee.

23.2 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.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE**

Annexure I

NON BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at June 30, 2016			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	398	8,275,685	875,476,426	29%
Associated Co./ Directors	7	10,168,137	1,075,677,029	36%
Banks/Dfis	1	1,890,556	200,000,000	7%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	6	1,237,442	130,907,728	4%
Others	15	6,664,817	705,065,197	24%
	427	28,236,636	2,987,126,381	100%

Category	As at 30 June 2015			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1014	36,482,090	3,750,813,090	52%
Associated Co./ Directors	5	8,072,303	829,933,218	11%
Insurance Co.	2	1,663,164	170,993,947	2%
Bank / DFIs	3	4,345,617	446,783,576	6%
Retirement & Other Funds	15	2,892,717	297,407,296	4%
Others	22	16,909,191	1,738,475,340	24%
	1061	70,365,082	7,234,406,466	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2016 %
Invest Capital Markets Limited	35.68%
Summit Capital (Pvt) Limited	15.75%
Icon Securities Limited	4.73%
BMA Capital Management Limited	19.98%
Invest One Markets Limited	3.23%
Global Securities Pakistan Limited	4.90%
Kasb Securities Limited	2.83%
Invest & Finance Securities Limited	5.41%
Js Global Capital Limited	2.40%
Vector Capital Pvt Limited	3.48%
Magenta Capital Limited	0.43%
Next Capital Limited	1.17%

30 June
2015
%

Invest Capital Markets Limited	45.69%
Summit Capital (Pvt) Limited	20.29%
Icon Securities Limited	10.98%
Invest One Markets Limited	6.72%
Global Securities Pakistan Limited	4.14%
Kasb Securities Limited	4.12%
Invest & Finance Securities Limited	3.35%
Js Global Capital Limited	2.25%
Vector Capital Pvt Limited	2.20%
Magenta Capital Limited	0.11%

(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
Imran Altaf
Kashif Kasim

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Imran Altaf

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 68th, 69th, 70th, 71st and 72nd Board Meetings were held on 24 Aug 2015, 29 Oct 2015, 25 Feb 2016, 27 Apr 2016 and 30 June 2016 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Syed Ali Sultan	5	5	-	-
Ms. Maheen Rahman	5	5	-	-
Mr. Amin Dawood Saleh	5	5	-	-
Mr. Abid Naqvi	5	5	-	-
Mr. Hanspeter Beier	5	2	3	3
Mr. Michael Buchen	5	5	-	-
Mr. Tufail Jawed Ahmad	2	2	-	-
Syed Tariq Husain	1	-	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

	30 June 2016	30 June 2015
Net Assets (Rs. '000)	2,987,126	7,234,406
NAV per unit	105.7890	102.8124
Selling price per unit	107.1880	104.1839
Redemption price per unit	105.7890	102.8124
Highest selling price per unit	111.9222	118.7135
Highest redemption price per unit	110.4615	117.1507
Lowest selling price per unit	104.2044	101.5121
Lowest redemption price per unit	102.8444	100.1643
Total interim distribution per unit	4.6776	13.6802
Interim distribution date	29-Jun-16	23-Jun-15
Final distribution per unit	Nil	Nil
Final distribution date	N/A	N/A
Annualized returns	7.42%	16.38%
Income distribution	4.54%	13.67%
Weighted avg. portfolio duration	3.05 Yrs	1.80 Yrs

Return since inception is **11.62%**

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

بورڈ آف ڈائریکٹرز:

ڈائریکٹر کے نام	عہدہ	منعقدہ میٹنگ	میٹنگ میں شرکت	غیر حاضری
جناب سید علی سلطان	چیرمین	5	5	-
جناب امین داؤد صالح	ڈائریکٹر	5	5	-
جناب مانگیل چین	ڈائریکٹر	5	5	-
جناب نسیم پیٹر بائیر	ڈائریکٹر	5	5	72، 70th، 68th بورڈ آف ڈائریکٹر
محترمہ مایین رحمان	چیف ایگزیکٹو آفیسر	5	5	-
جناب عابد نقوی	ڈائریکٹر	5	5	-
جناب آصف سعید	ڈائریکٹر	-	-	-
جناب سید طارق حسین	ڈائریکٹر	1	-	70th بورڈ آف ڈائریکٹر
جناب طفیل جاوید احمد	ڈائریکٹر	2	2	-

سال کے دوران بورڈ کے ممبران کی تبدیلی:

نام	عہدہ	تقرری	استعفی
جناب آصف سعید	ڈائریکٹر		استعفی
سید طارق حسین	ڈائریکٹر	تقرری	استعفی
جناب طفیل جے احمد	ڈائریکٹر	تقرری	

بورڈ اپنے سکروڈ ہونے والے ڈائریکٹرز حضرات کا کھٹی میں خدمات پیش کرنے پر شکر گزار ہے۔

آڈٹ کمیٹی کی میننگ:

اس سال کے دوران آڈٹ کی میننگ کی تفصیلات اور آڈٹ کمیٹی کے ممبران کی شرکت کی تفصیلات درج ذیل ہیں:

ممبر	میٹنگ منعقدہ	میٹنگ میں حاضری
جناب عابد نقوی	4	4
جناب سید علی سلطان	4	4
جناب امین داؤد صالح	4	2

اظہار تشکر:

ڈائریکٹرز کیوریٹرز اینڈ ایگزیکٹو کمیٹی آف پاکستان کے تعاون پر ان کا شکریہ ادا کرتے ہیں اس کے علاوہ بورڈ نے انتظامی کمیٹی کے ملازمین اور سٹیرنگ کمیٹی کا بھی شکریہ ادا کیا ہے جنہوں نے انتظامیہ پر مکمل اعتماد کرتے ہوئے محنت اور لگن سے کام کیا۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

مورخہ: 22 ستمبر 2016ء

مالی تفصیلات:

(ملین روپے)

برائے سال ۲۰۱۵ جون ۳۰	برائے سال ۲۰۱۶ جون ۳۰	تفصیل
7,234.406	8,052.240	اوسط صافی اثاثہ
496.251	692.646	مجموعی آمدنی
734.078	192.547	کل آمدنی
102.8124	105.7890	نی پونٹ صافی اثاثہ کی ویلیو (پاکستانی روپے)
13,713.535	10,818.274	سال کے دوران پونٹس کا اجراء
6,882.554	15,515.187	سال کے دوران پونٹس کی کمی

ادائیگی:

زیر نظر سال کے آخر میں فنڈ کی نقد ادائیگی کا ڈویڈنڈ 4.6776 پاکستانی روپے نی پونٹ رہا۔

کارپوریٹ گورننس:

انتظامی کمیٹی اعلیٰ معیار کے کارپوریٹ گورننس پریکٹس پر یقین رکھتی ہے لہذا اس کے مطابق بورڈ آف ڈائریکٹرز کی جانب سے درج ذیل کی یقین دہانی کی جاتی ہے:

- (اے) کمیٹی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گورننس کے یقین کے حالات، اس کے آپریٹنگ کے نتائج، کمپنیز فلوا اور ایکٹیوٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔ کمیٹی کے کھاتے مناسب طریقہ سے رکھے جا رہے ہیں۔
- (بی) مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گورننس کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہر اور حتمی فیصلوں پر مبنی ہوتے ہیں۔
- (سی) مالیاتی گورننس کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیار (IFRS)، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔
- (ڈی) انٹرنل کنٹرول کے نظام مضبوط ہیں اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- (ایف) آنے والے سالوں میں افواج جی ایچ جی انویسٹمنٹ لمیٹڈ کی انتظامیہ کے تحت فنڈ کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- (جی) مالیاتی گورننس میں تمام واجب الادا اسکیمز، ڈیویڈنڈ اور دیگر چارجز کی عملی تفصیلات فراہم کر دی گئی ہیں۔
- (ایچ) کمیٹی میں کارپوریٹ گورننس کو مکمل طور پر نافذ کیا ہے جو کہ اسٹیک ریلویشن میں درج ہے اور اس سے کوئی انحراف نہیں کیا گیا ہے۔
- (آئی) اہم مالیاتی تفصیلات اس ڈائریکٹرز رپورٹ میں فراہم کر دی گئی ہیں۔
- (یے) بورڈ آف ڈائریکٹرز کی میٹنگ کی تفصیلات اور ان میٹنگز میں ہر ڈائریکٹر کی شرکت ضمنی غیر مالیاتی معلومات کی سالانہ رپورٹ کے نوٹ نمبر (iv) میں دی گئی ہیں۔
- (کے) اس سالانہ رپورٹ کی ضمنی غیر مالیاتی معلومات یونٹ ہولڈرز کی تفصیل نوٹ نمبر (i) میں دی گئی ہیں۔
- (ایل) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کے شریک حیات کی جانب سے فنڈ کے پونٹس کی تعداد ۳۰ جون ۲۰۱۶ نوٹ نمبر 19.3 میں فراہم کر دی گئی ہے۔
- (ایم) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کی بیگمات کی جانب سے مطلوبہ پونٹس/تعداد ۳۰ جون ۲۰۱۶ نوٹ نمبر 19.3 میں فراہم کر دی گئی ہے۔

فنڈ کی کارکردگی اور تجزیہ:

الفلاح جی ایچ پی سوبیرین فنڈ: فنڈ آپریشن اور اس کی کارکردگی:

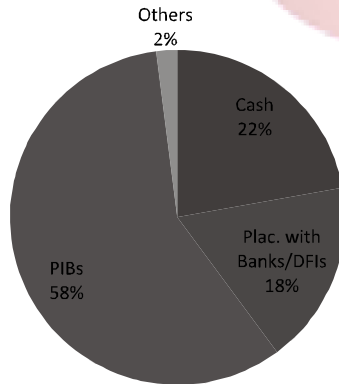
۳۰ جون ۲۰۱۶ء کے آخر تک آپ کے فنڈ کی شرح آمدنی 7.42% رہی اور اسی مدت کے دوران پورٹ فولیو کے اضافہ سے اس آمدنی میں 5.87% کا اضافہ ہوا (70% 6 بلین ٹی بیلز + 30% 6 بلین ڈیپازٹ کی شرح)۔ کم شرح سود کے پیش نظر درمیانی اور طویل مدتی گورنمنٹ بانڈز کی خرید و فروخت سے حاصل ہونے والے منافع کی توقع پر سرمایہ کاری کی گئی جس سے مطلوبہ ہدف سے زیادہ منافع حاصل کیا گیا۔

فنڈ کے سلسلے میں PACRA نے "AA-(f)" کی ریٹنگ تفویض کی ہے۔

AGHP Sovereign Fund Vs Benchmark



AGSOF Asset Allocation



ڈائریکٹرز رپورٹ:

ہمارے معزز اینڈ ہولڈرز،

الفلاح جی ایچ پی ایل سی ٹرسٹ منیجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز مالیاتی سال ۲۰۱۶ء کیلئے فنڈز کی سالانہ رپورٹ پیش کر رہے ہیں۔

اقتصادی جائزہ برائے مالیاتی سال ۲۰۱۶ء:

مالیاتی سال ۲۰۱۶ء میں پاکستان کی معیشت میں 4.70% کا اضافہ ہوا جو گذشتہ آٹھ سالوں میں سب سے زیادہ شرح رہی۔ یہ اضافہ بنیادی طور پر صنعتی اور خدماتی شعبوں کی بدولت رہا، جس سے زرعی شعبے کی ناقص کارکردگی پُرس پر وہی توانائی کی وافر فراہمی اور پاک چائنا اقتصادی راہداری منصوبوں کو مستقبل میں بھی جاری رکھنے کی امید کی جاتی ہے۔

مالیاتی سال ۲۰۱۶ء میں افراط زر کا تناسب 2.85% رہا جس کا موازنہ مالیاتی سال ۲۰۱۵ء کے تناسب 4.56% سے کیا جاسکتا ہے، تیل کی کم قیمتوں کی بدولت معیشت میں ترقی ہوئی اور اشیاء کی قیمتوں میں اسی بنیاد پر سال کے آخر میں افراط زر کی شرح میں اضافہ کے نتیجے میں شروع ہونے والے اگلے مالیاتی سال میں اضافہ کا امکان ہے۔ مالیاتی سال ۲۰۱۶ء کیلئے اسٹیٹ بینک کے تخمینوں کے مطابق اس کا تناسب 4.50% سے 4.80% ہے جو کہ ان منصوبوں سے ترقیب ترین تناسب ہے اور شرح سودہ 5.75% بنتی ہے اور ان میں امکان ہے کہ اس مدت کے ساتھ سود کی شرح میں اگلی مدت کیلئے مزید اضافہ ہوگا۔

اس سال کے دوسرے حصہ میں مکمل طور پر معیشت کی خارجی حالت اسی تناسب کے تحت ہے جس کا تناسب 0.02%- امریکی ڈالر کے مقابلے میں ہے اس طرح کم برآمدات اور تسلیات زر کی سست رفتاری اور نیا الاقوامی طور پر خاتم تیل کی قیمتوں میں کمی کی وجہ سے اس میں کافی حد تک فائدہ ہوا ہے۔ خارجی حالت کے تحت (۱) سرکاری قرضے کے حوالے سے خصوصی طور پر ستمبر ۲۰۱۵ء میں آئی ایم ایف کے پروگرام کے اختتام کے بعد مقرر ہوئی۔ (۲) ممکنہ شرح تسلیات زر جس میں ممکنہ طور پر سست روی رہی۔ (۳) تیل کی قیمتوں میں اضافہ (۴) ممکنہ طور پر برآمدات کی آمدنی میں کمی واقع ہوئی۔

اسٹاک مارکیٹ:

کے ایس ای 100 انڈیکس جس میں دوران سال 3,300 پوائنٹس کا اضافہ ہوا اور مالیاتی سال ۲۰۱۶ء کے دوران ریٹرن کا تناسب 9.8% رہا۔ سال کے پہلے سات مہینوں میں مارکیٹ مندی رہی جبکہ فروری کے آخر سے اضافہ دیکھا گیا۔ بین الاقوامی طور پر خاتم تیل کی قیمتوں میں پچھلے ۱۲ سالوں کے مقابلے میں سال ۲۰۱۶ء میں کافی کمی رہی اور عالمی مارکیٹ کے حصص میں غیر ملکی سرمایہ کاروں کی طرف سے فروخت کیلئے دباؤ بڑھا اور مقامی بروکرز کی تحقیقات کے نتیجے میں پہلے سات سے آٹھ ماہ کے دوران منفی اثرات پائے گئے۔ کم شرح سود کے ماحول میں بینکاری پر سرمایہ کار کا اعتماد کم رہا اور مارکیٹ میں بالخصوص فروری کے مہینے سے ایک بار پھر اضافہ ہوا۔ MSCI میں پاکستان کی شمولیت سے اسٹاک مارکیٹ میں مزید تیزی کا رجحان رہا۔ برطانوی عوام کی جانب سے یورپی یونین سے اخراج کی بدولت انڈیکس میں قلیل مدتی کمی ہوئی جسے جون ۲۰۱۶ء میں بحال کیا گیا۔

سال کی آخری سہ ماہی میں اضافہ پاکستان کی MSCI میں از سر نو درجہ بندی کے مروجہ منت رہا اور انڈیکس کے اہم حصص کی MSCI میں شمولیت کی توقع رہی۔

نئی مارکیٹ:

افراط زر اور اس کے نتیجے میں پیدا ہونے والے پالیسی ریٹ مالیاتی سال ۲۰۱۶ء کے دوران دو مرتبہ کمی و بیشی سے متاثر ہوئے، پہلے ستمبر ۲۰۱۵ء میں 50bps اور اس کے بعد مئی ۲۰۱۶ء میں 25bps جو کہ سال کے دوران آمدنی میں 100-250bps کمی کا باعث بنا اور ڈسکونٹ ریٹ میں سب سے زیادہ کمی ۴ سے ۱۰ سالہ یونڈرز میں دیکھی گئی جس کی وجہ سے شرح سود میں طویل مدتی کمی کی توقع ہے۔

مستقبل کا نقطہ نظر:

سال ۲۰۱۶ء میں مارکیٹ کی کارکردگی میں بہتری کی توقع ہے جو کہ (۱) پاکستان کی MSCI اہر جنگ مارکیٹ انڈیکس میں دوبارہ درجہ بندی (۲) وفاقی بجٹ مالیاتی سال ۲۰۱۸ء کیلئے توقع کی جاتی ہے بالخصوص زرعی اور تجارتی شعبوں میں حکومت اپنی مدت کے آخری سال اس پر ضرور توجہ دے گی۔

قلیل مدت میں افراط زر میں کمی کے پیش نظر 2016ء کے آخر میں CPI میں کچھ اضافہ کے باعث یہ توقع کی جارہی ہے کہ مائیکرو پالیسی میں درمیانی مدت میں استحکام رہے گا۔ وہ عوامل جو جلد یا بدیر اضافہ کی وجہ بن سکتے ہیں وہ درج ذیل ہیں:

- ۱۔ نام تیل میں قیمتوں میں اضافہ بوجہ طلب و رسد کے فرق میں کمی۔
- ۲۔ توانائی کے علاوہ دیگر شعبوں میں خلاف توقع قیمتوں میں زیادہ اضافہ
- ۳۔ کرنٹ اکاؤنٹ خسارہ میں اضافہ سے روپے کی قدر پر بڑھتا ہوا دباؤ۔

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






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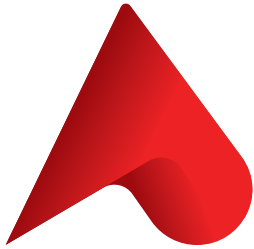


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