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FUND'S INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Board of Directors of the Management Company:	- Mr. Sarfraz Ali Sheikh - Mr. Abdul Aziz Anis - Mr. Shahid Hosain Kazi - Mr. Hani Theodor Karl - Mr. Shakil Sadiq - Mr. Shahab Bin Shahid
CFO & Company Secretary of the Management Company:	- Mr. Omer Bashir Mirza
Audit Committee:	- Mr. Sarfraz Ali Sheikh - Mr. Shahid Hosain Kazi - Mr. Shakil Sadiq
Trustee:	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block 'B', SMCHS, Main Shara-e-Faisal, Karachi.
Fund Manager:	Mr. Ather H. Medina
Bankers to the Fund:	Bank Alfalah Limited
Auditor:	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road P.O. Box 8517, Karachi.
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	4 Star by PACRA

MISSION STATEMENT

Alfalah GHP Islamic Fund aims to provide its unit holders with sustainable, consistent and Shariah compliant return over a period of time through active asset allocation strategies towards equity and income asset classes.

VISION STATEMENT

Alfalah GHP Islamic Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable, consistent and Shariah compliant return over the long term through investment exposure to equity and income asset classes

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

Financial Performance

Net assets under management as at June 30, 2011 were Rs.327.40 million. During the year units worth Rs. 0.003 million were issued and units worth Rs. 2.75 million were redeemed.

AGIF earned total income of Rs. 65.79 million for the year ended June 30, 2011 including impairment loss in the value of investments classified as 'available for sale' of Rs. 4.84 million. Major sources of revenue were capital gains of Rs.36.92 million, dividend income of Rs.15.11 million, profit on bank deposits of Rs. 9.10 million and Income from Sukuk Certificates of Rs. 4.51 million. After accounting for expenses of Rs. 12.99 million, the net income from operating activities for the year stands at Rs. 52.80 million.

Income distribution

The Board of Directors of Alfalah GHP Investment Management Limited (AGIM), the management company of Alfalah GHP Islamic Fund (AGIF), in its meeting held on 07 July 2011 has declared Final distribution for the year ended June 30, 2011 at the rate of Rs. 3.50 per unit, (i.e. 6.40% of the Ex-NAV of Rs. 54.73 at the beginning of the year). The Board in its meeting held on 23 Oct 2010 and 30 Dec 2010 had recommended to issue bonus units to unit holders of growth units and cash dividend to unit holders of income units for the quarters ended 30 September 2010 and 31 December 2010 of Rs. 2.00 per unit each (i.e. 7.30% of the Ex-Nav of Rs. 54.73 at the beginning of the period). Therefore total distribution for the year ended 30 June 2011 amounts to Rs. 7.50 per unit.

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

Economic Review

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

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

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

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

Despite these problems, there have been a few positives this year. Higher cotton prices and a 26% rise in remittances in FY11 has swung the external account to a surplus of $542 million compared to a deficit of $3,900 million in FY10. Foreign exchange reserves, as a result, have also risen to $18.2 billion from $16.7 billion at the fiscal year end.

Citing a comfortable external position and a contained inflation outlook (11% to 12%) for FY12, State Bank of Pakistan (SBP) in its July monetary policy has reversed its tight monetary stance. It has lowered the policy rate by 50 bps to 13.5%. SBP, previously, had increased the policy rate in multiple 50 bps notches from 12.5% in July 2010 to 14% in November 2010.

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

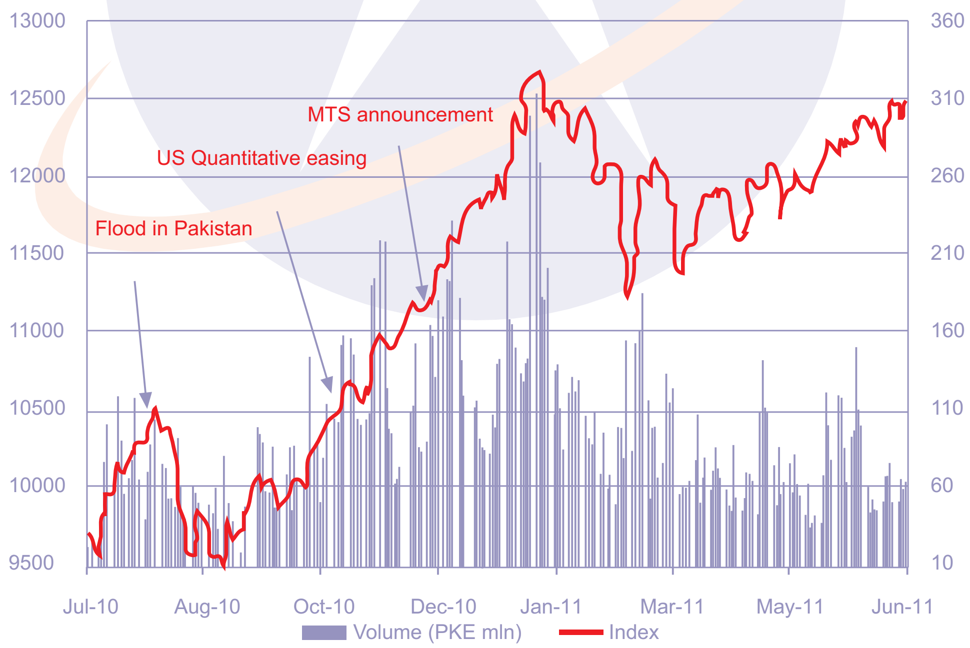
Asset Allocation

The asset allocation of the Fund as at 30 June 2011 was as follows:

Equity	50.27%
Cash / Bank Deposit	42.83%
Sukuk certificates	4.67%
Others	2.00%
Total	**100.00%**

Stock Market Review

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



Future Outlook

Recent downside in the equity market has created further room for upside movement. We believe that attractive micro valuations in the Oil & Gas E&P, Fertilizer, and Banking sector, continued foreign portfolio inflows, GDP growth of 3-4%, and a healthy current account status will be the main drivers of the market upside in the next half-year. Earnings growth for the market is expected at 18-20% on the back of rising oil and fertilizer prices and declining non-performing loan charges.

However, any adverse development on the European debt crisis, and widening fiscal deficit in the US could pose a significant risk to these expectations if foreign investors start exiting local markets, which in turn would hurt valuations and investor sentiments.

Statement of Compliance with the Code of Corporate Governance

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

Attendance of Board Meetings

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

Appointment of External Auditors

As recommended by the Audit Committee, the Board of Directors of the Management Company has appointed M/s Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants as the Fund's Auditors for the year ending June 30, 2012.

Acknowledgement

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

For and on behalf of the Board

25 August, 2011
Karachi

Abdul Aziz Anis
Chief Executive

REPORT OF THE FUND MANAGER

Investment objective(s)

Alfalah GHP Islamic Fund is an open end Shariah compliant asset allocation fund. The Fund seeks to invest in Shariah compliant equity and income (sukuks) instruments with a view to earning Halal income for its investors over the medium to long term. The Fund seeks to actively switch and manage investment allocations in the above asset classes with a view to optimizing returns.

Objective accomplishment

The per unit Net Asset Value of AGIF appreciated by 11.08% in FY11. During July-August 2010, the country was hit by the worst ever flooding in its history, resulting in significant damage to the rural economy. Your fund, thus reduced its equity exposure in the aftermath of the flooding and maintained an average equity exposure of only 51.5% during the Aug-Nov period. The exposure to equity was increased in Dec-Jan to an average of 80.2% in anticipation of strong corporate earnings from the Oil & Gas, and the Fertilizer sectors, however, subsequent political issues, including the tensed up relations between Pakistan and the USA over the Raymond Davis issue made us adopt a cautious approach again, and the equity exposure was again reduced to an average of 52.8% in the Feb-Jun period.

The performance of the fund's Sukook portfolio remained subdued during the period due to heavy provisioning and impairment losses in the prices of corporate papers. The major reasons for the continued problems with the fixed income investment component of the fund during this period were the high level of interest rates, coupled with a weak economy and deteriorating law and order situation.

Benchmark relevant to the fund

The benchmark is 50% KMI 30 Index + 50% 6 month average deposit rate of Islamic Banks.

Funds' performance with benchmark

FY 11 Return	Benchmark	Relative Performance
11.08%	25.62%	-14.54%

Investment Strategy

In the aftermath of the large scale devastation caused by the country wide floods in Jul-Aug 2010, your fund had substantially reduced its equity exposure to protect against the potential market decline. However, the two heavy weightage sectors in the KMI 30 Index, i.e., Oil & Gas, and Fertilizers, both witnessed significant foreign buying interest during the period which led to an unexpected surge in the benchmark, and the mismatched asset allocation of the fund during this period led to a performance lag which remained during the remainder of the year.

Asset allocation (Jun 30, 2011)

Equity	50.27%
Cash / Bank Deposits	42.83%
Sukuk	4.67%
Others	2.00%
TOTAL	**100%**

Any Significant changes in the state of affairs of fund.

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

Analysis of the Fund's Performance

On Size

As on June 30, 11	As on June, 30, 10	% Change
327,397	328,896	-0.46%

On Price ^

As on June 30, 11	As on June, 30, 10	% Change **
56.73	56.73	+11.08%

^ Annualised Return based on Adjusted Prices
** Return calculated after incorporating distribution during the period

Disclosure on the Markets

The Fund mainly invests in the following markets:

- **Islamic Equity**
  In this investment is made in Shariah compliant stocks and shares listed on the stock exchanges of the country.

- **Islamic Income**
  In this investment is made in Shariah compliant income securities (sukooks) issued by govt. and semi govt. entities or by private sector corporate. Such securities can either be listed or unlisted, secured or unsecured. Investment in this asset class is subject to overall investment parameters as defined in the Fund Offering Document.

Markets and their Returns

- **Islamic Equity**
  The Shariah Compliant equities witnessed a stellar year in FY11 and KMI30 index gained 43.66%. In contrast to broader market of conventional equity scrips, the performance of the shariah compliant scrips was more pronounced. Underperforming financial sector stocks and higher interest rates, both served as a drag on the conventional market.

- **Islamic Income**
  Islamic fixed income securities especially corporate Sukuks from the private sector suffered high inactivity in FY 2011. The Islamic debt market remained fairly inactive with no major trades taking place or any prominent new Sukuks being offered in the primary market.

Disclosure of Other Remunerations

NIL

Performance Table

Key financial data is disclosed in annexure to the financial statements

Risk Disclosure

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

Disclaimer

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

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

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

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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC FUND

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

The Alfalah GHP Islamic Fund (the Fund), an open-end fund was established under a trust deed dated April 11, 2007, executed between Alfalah GHP Investment Management Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

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

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and

(iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

We would like to draw unit holders attention towards the directives of the Securities and Exchange Commission of Pakistan (SECP) issued vide Circulars # 1 of 2009 and 3 of 2010, which require that the debt securities shall only be reclassified as performing on receipt of all arrears i.e. principal as well as interest for the next two installments. The sukuk certificates of Maple Leaf Cement Factory Limited (MLCFL) were classified as performing in September 2010 based on the restructured plan approved in March 2010.

The Management Company while complying the same has reclassified the sukuk certificates as performing, however, has not accrued the mark-up till October 12, 2010. Going forward, the Management Company started accruing the mark-up completely from October 13, 2010. The Management Company has informed us that the same has been done on prudence basis, considering the underlying risk of realisability of the deferred mark-up which will be received in future periods.

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

Karachi: October 13, 2011

REPORT OF THE SHARIAH ADVISORY BOARD
ALFALAH GHP ISLAMIC FUND

We, the Shariah Advisory Board of the Fund are issuing this report in accordance with clause 3.2 of the Trust Deed of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of M/s Alfalah GHP Investment Management Ltd (AGIML), the management company of the Fund, to establish & maintain a system of internal controls to ensure compliance with the Shariah Guidelines. Our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisor, we have prescribed criteria on the basis of the following;

(i) Nature of Business,
(ii) Interest bearing debt in relation to the total assets
(iii) Illiquid assets in relation to the total assets,
(iv) Investment in Non-Shariah Compliant activities to total assets and income from non-compliant investments to Gross revenues, and
(v) Net Liquid assets per share vs. share price.

We have reviewed and approved the modes of investments of AGIF in light of Shariah requirements. The following is a list of equity investments of AGIF as on 30 June 2011 and their evaluation according to the screening criteria established by us. (The latest half yearly of the Investee companies available as on 31 December 2010 have been used for the following calculations):

Company Name	(i) Nature of Business	(ii) Debt to Assets (<40%)	(ii) Illiquid Asset to Total Assets (>20%)	(iv) Non-Compliant Income to Gross Revenue (<5%)	(v) % of Non-Shariah Compliant Investment (<33%)	(vi) Net Liquid Asset Vs Share Price (B>A): Net Liquid Assets / Share (A)	(vi) Net Liquid Asset Vs Share Price (B>A): Market Price / Share (B)
Fauji Fertilizer Bin Qasim Ltd.	Fertilizer	18.92%	50.60%	2.24%	3.54%	-6.07	35.73
ICI Pakistan Ltd.	Chemical	0.00%	59.61%	0.00%	0.00%	18.08	144.24
Fauji Fertilizer Co. Ltd.	Fertilizer	29.63%	49.83%	1.73%	18.90%	-20.06	125.86
Hub Power Company Limited	Power Generation	25.93%	39.42%	0.03%	0.00%	-19.99	37.41
Kohinoor Energy Ltd.	Power Generation	5.40%	63.88%	0.36%	0.00%	12.56	21.78

Pakistan State Oil Company Limited	Oil Marketing	6.92%	28.98%	0.00%	0.00%	-163.09	295.18
Oil & Gas Development company ltd	Oil & Gas Exploration	0.00%	23.05%	0.74%	5.38%	26.80	170.83
Pakistan Petroleum Limited	Oil & Gas Exploration	0.95%	37.51%	4.27%	1.64%	46.59	217.15
Pakistan Oilfields Limited	Oil & Gas Exploration	0.00%	46.11%	2.77%	0.30%	50.35	295.96
Indus Motor Co. Ltd.	Automobile Assembler	0.01%	58.29%	1.12%	12.70%	6.25	252.47
Thal Limited	General Industrial	15.40%	42.17%	0.70%	1.30%	81.75	130.25

In light of the above scope, we hereby certify that all the provisions of the scheme and investment made by the Fund for the year ended 30 June, 2011 are in compliance with the Shariah principles.

Where there are investments made by AGIF and Investee companies have earned a part of their income from non-compliant sources (e.g. interest income), in such cases, the management company has been directed to set aside as charity such proportion of the income from Investee companies in order to purify the earnings of the Fund.

During the year an amount of Rupees **126,683** was transferred to charity account.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board

Dr. Ejaz Ahmed Samdani **Mufti Khalil Ahmad Aazami**

Karachi
Date 13-07-11

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Independent Assurance Provider's Report on Shariah Compliance to the Unit Holders

We have performed our independent assurance engagement of **Alfalah GHP Islamic Fund** ("the Fund") to assess the Fund's compliance with the Shariah guidelines prescribed by the Shariah Advisor of the Fund for the year ended 30 June 2011.

Management Company's responsibility

Management Company of the Fund is responsible for the appointment of Shariah Advisor of the Fund and for compliance with the Shariah guidelines prescribed by the Shariah Advisor. This responsibility includes: designing, implementing and maintaining internal controls to ensure compliance with the Shariah guidelines issued by the Shariah Advisor.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the compliance based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagements (ISAE 3000) 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. This standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance whether the Fund has complied with the guidelines issued by the Shariah Advisor.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah guidelines. In making those risk assessments, we have considered internal controls relevant to the entity's compliance with the guidelines in order to design our procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the guidelines. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Conclusion

In our opinion, the Fund was, in all material respects, in compliance with the Shariah guidelines issued by the Shariah Advisor of the Fund for the year ended 30 June 2011.

KPMG Taseer Hadi & Co.

Date: 25 AUG 2011

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

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

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

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

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present all directors except Chief Executive Officer of the Management Company are non executive directors two of which are independent non-executive directors.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurred in the board on 19 February 2011, which is not filled to date.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been approved by the directors. The Company has the policy to provide the statement of Ethics and Business Practices to all the employees on their appointment.

6. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO has been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board has yet to arrange an orientation course for its directors to apprise them of their duties and responsibilities. The directors are however conversant with the requirements of the Code and other regulations.

10. There was no new appointment of CFO and Company Secretary made during the year. Their remuneration and terms and conditions of employment were approved by the Board in the earlier year.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the units of the Fund.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee. It comprises of three non-executive directors of the management company as its members including chairman of the audit committee.

16. During the year, audit committee meetings were held for approval of accounts. The terms of reference of the audit committee have been framed and approved by the Board of the Management Company and advised to the committee for compliance.

17. The Management Company has outsourced its internal audit function to Ford Rhodes Sidat Hyder & Co., Chartered Accountants.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. We confirm that all other material principles contained in the Code have been complied with.

21. The related party transaction have been placed before the audit committee and approved by the Board of directors to comply with the requirements of listing regulations 35 of the Karachi Stock Exchange (Guarantee) Limited.

Chief Executive

KPMG

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Chartered Accountants
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Review Report to the Unit Holders of Alfalah GHP Islamic Fund ("the Fund") on Statement of Compliance with Best Practices of Code of Corporate Governance

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

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

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

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

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

KPMG Taseer Hadi & Co.

Date: 25 AUG 2011

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

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Independent Auditors' Report to the Unit Holders

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

Opinion

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

KPMG

KPMG Taseer Hadi & Co.

Other matters

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

Date: 25 AUG 2011

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2011

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
Assets			
Bank balances	4	**143,621**	142,888
Investments	5	**184,223**	184,777
Dividend and profit receivable	6	**4,023**	1,644
Deposits, prepayments and other receivables	7	**2,600**	2,700
Preliminary expenses and floatation costs	8	**834**	1,544
Total assets		**335,301**	333,553
Liabilities			
Payable to Alfalah GHP Investment Management Limited - Management Company	9	**605**	616
Payable to Central Depository Company of Pakistan Limited - Trustee	10	**59**	57
Payable to Securities and Exchange Commission of Pakistan - Annual Fee	11	**314**	160
Payable against purchase of investments		**2,269**	-
Accrued expenses and other liabilities	12	**4,657**	3,824
Total liabilities		**7,904**	4,657
Contingencies and commitments	13	**-**	-
Net assets		**327,397**	328,896
Unit holders' fund (as per statement attached)		**327,397**	328,896
		(Number of units)	
Number of units in issue		**5,771,082**	5,797,505
		(Rupees)	
Net asset value per unit		**56.73**	56.73

The annexed notes 1 to 25 form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Year ended 30 June 2011	Six months ended 30 June 2010*
		(Rupees in '000)	
Income			
Capital gain on sale of investments		**36,920**	13,559
Dividend income		**15,114**	7,355
Profit on deposit accounts with banks		**9,098**	3,048
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	5.5	**4,981**	(9,068)
Impairment in the value of investments classified as 'available for sale'		**(4,838)**	(1,064)
Income from sukuk certificates		**4,513**	1,636
Total income		**65,788**	15,466
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	9	**7,429**	3,800
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	**700**	348
Annual fee - Securities and Exchange Commission of Pakistan	11	**314**	160
Amortisation of preliminary expenses and floatation costs	8	**710**	352
Bank and settlement charges		**397**	210
Auditors' remuneration	17	**820**	546
Fees and subscriptions		**174**	153
Brokerage		**1,079**	597
Printing and related costs		**167**	93
Workers' welfare fund	14	**1,071**	2,785
Other charges		**127**	101
Total expenses		**12,988**	9,145
Net income		**52,800**	6,321
Net element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units repurchased		**(306)**	5,370
Net income for the year / period		**52,494**	11,691

The annexed notes 1 to 25 form an integral part of these financial statements.

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Year ended 30 June 2011	Six months ended 30 June 2010*
		(Rupees in '000)	
Net income for the year / period		**52,494**	11,691
Other comprehensive income / (loss):			
Net unrealised diminution during the year / period in the value of investments classified as 'available for sale'	5.3	**(18,016)**	(5,204)
Element of gain / (loss) and capital gain / (losses) included in prices of units sold less those in units repurchased - amount representing unrealised capital gains / (losses)		**167**	(9)
Other comprehensive loss for the year / period		**(17,849)**	(5,213)
Total comprehensive income for the year / period		**34,645**	6,478

The annexed notes 1 to 25 form an integral part of these financial statements.

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six months ended 30 June 2010*
	(Rupees in '000)	
Undistributed income brought forward:		
- Realised	**20,747**	130,699
- Unrealised	**(9,068)**	(97,347)
	11,679	33,352
Element of gain / (loss) and capital gain / (losses) included in prices of units sold less those in units repurchased - amount representing unrealised capital gains / (losses)	**167**	(9)
Net income for the year / period	**52,494**	11,691
Final distribution for the Period ended 30 June 2010		
- Cash distribution: Rs. 2.00 per unit dated 22 October 2010 (2009: Rs. Nil per unit)	**(11,180)**	-
- Issue of 7,311 bonus units (2009: 561,164 units)	**(415)**	(33,355)
Interim distribution for the period ended 30 September 2010		
- Cash distribution: Rs. 2.00 per unit dated 23 October 2010 (2009: Rs. Nil per unit)	**(11,180)**	-
- Issue of 7,831 bonus units (2009: Nil units)	**(429)**	-
Interim distribution for the period ended 31 December 2010		
- Cash distribution: Rs. 2.00 per unit dated 30 December 2010 (2009: Rs. Nil per unit)	**(11,180)**	-
- Issue of 7,714 bonus units (2009: Nil units)	**(439)**	-
	17,838	(21,673)
Undistributed income carried forward:		
- Realised	**24,536**	20,747
- Unrealised	**4,981**	(9,068)
	29,517	11,679

The annexed notes 1 to 25 form an integral part of these financial statements.

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

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

	Year ended 30 June 2011	Six months ended 30 June 2010*
	(Rupees in '000)	
Net assets at the beginning of the year / period	**328,896**	327,316
Issue of 55 units (2010: 10,399 units)	**3**	632
Redemption of 49,334 units (2010: 2,798 units)	**(2,746)**	(169)
	(2,743)	463
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units repurchased:		
- amount representing accrued (income) / loss and realised capital (gains) / losses - transferred to the income statement	**306**	(5,370)
- amount representing unrealised capital losses - transferred directly to the distribution statement	**(167)**	9
	139	(5,361)
Final bonus distribution of 7,311units for the period ended 30 June 2010 (2009: 561,164 units)	**415**	33,355
Interim distribution of 7,831 bonus units for the period ended 30 September 2010	**429**	-
Interim distribution of 7,714 bonus units for the period ended 31 December 2010	**439**	-
Net unrealised diminution in the value of investments classified as 'available for sale'	**(18,016)**	(5,204)
Capital gain on sale of investments	**36,920**	13,559
Unrealised appreciation / (diminution) in the value of investments - 'at fair value through profit or loss'	**4,981**	(9,068)
Other net income for the year / period	**10,593**	7,200
Element of income / (loss) and capital losses included in prices of units sold less those in units redeemed	**167**	(9)
Final distribution for the period ended 30 June 2010		
- Cash distribution: Rs. 2.00 per unit dated 22 October 2010 (2009: Rs. Nil per unit)	**(11,180)**	-
- Issue of 7,311 bonus units (2009: 561,164 units)	**(415)**	(33,355)
Interim distribution for the period ended 30 September 2010		
- Cash distribution: Rs. 2.00 per unit dated 23 October 2010 (2009: Rs. Nil per unit)	**(11,180)**	-
- Issue of 7,831 bonus units (2009: Nil units)	**(429)**	-
Interim distribution for the period ended 31 December 2010		
- Cash distribution: Rs. 2.00 per unit dated 30 December 2010 (2009: Rs. Nil per unit)	**(11,180)**	-
- Issue of 7,714 bonus units (2009: Nil units)	**(439)**	-
Net income / (loss) for the year / period less distribution	**17,838**	(21,673)
Net assets at the end of the year / period	**327,397**	328,896
	(Rupees)	
Net asset value per unit at the beginning of the year / period	**56.73**	62.60
Net asset value per unit at the end of the year / period	**56.73**	56.73

The annexed notes 1 to 25 form an integral part of these financial statements.
* The Fund has changed its accounting year from 31 December to 30 June (refer note 1.1)

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Year ended 30 June 2011	Six months ended 30 June 2010*
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year / period	**52,494**	11,691
Adjustments for:		
Dividend income	**(15,114)**	(7,355)
Profit on deposit accounts with banks	**(9,098)**	(3,048)
Unrealised (appreciation) / diminution in the value of investments - 'at fair value through profit or loss'	**(4,981)**	9,068
Impairment in the value of investments classified as 'available-for-sale'	**4,838**	1,064
Income from sukuk certificates	**(4,513)**	(1,636)
Amortisation of preliminary expenses and floatation costs	**710**	352
Workers' welfare fund	**1,071**	2,785
Net element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units repurchased	**306**	(5,370)
	(26,781)	(4,140)
	25,713	7,551
(Increase) / decrease in assets		
Investments	**(17,319)**	65,149
Deposits, prepayments and other receivables	**100**	53
	(17,219)	65,202
Increase / (decrease) in liabilities		
Payable to Alfalah GHP Investment Management Limited - Management Company	**(11)**	(14)
Payable to Central Depository Company of Pakistan Limited - Trustee	**2**	(4)
Payable to Securities and Exchange Commission of Pakistan - Annual fee	**154**	(193)
Payable against purchase of investments	**2,269**	(14,762)
Accrued expenses and other liabilities	**(238)**	(91)
	2,176	(15,064)
Dividend received	**15,031**	8,192
Profit received on deposit accounts with banks	**8,883**	2,703
Income received on sukuk certificates	**2,432**	1,645
	26,346	12,540
Net cash from operating activities	**37,016**	70,229
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from sale of units	**3**	632
Payment against redemption of units	**(2,746)**	(169)
Cash dividend paid	**(33,540)**	-
Net cash (used in) / from financing activities	**(36,283)**	463
Net increase in cash and cash equivalents during the year / period	**733**	70,692
Cash and cash equivalents at the beginning of the year / period	**142,888**	72,196
Cash and cash equivalents at the end of the year / period	**143,621**	142,888

The annexed notes 1 to 25 form an integral part of these financial statements.

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Fund is an open- ended shariah compliant asset allocation scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited ("the Management Company") and Central Depository Company of Pakistan Limited ("the Trustee"). and is authorised The Trust Deed was executed on 11 April 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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

The Fund is listed on the Karachi Stock Exchange. Units are offered for public subscription on continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

Alfalah GHP Islamic Fund (AGIF) is an open ended shariah compliant asset allocation scheme.The primary objective of the Fund is to seek long term capital appreciation and income from a diversified portfolio developed in accordance with the principles of Shariah. The investments of the Fund are diversified both in terms of securities within an asset class as well as across asset classes. All activities of the Fund are undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisory Board of the Fund.

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

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

1.1 Change of accounting year

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

2. BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisory Board of the Fund.

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance 1984, provisions of and directives issued under the Companies Ordinance, 1984, the NBFC Rules 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations 2008) and the requirements of the Trust Deed. Wherever, the requirements of the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and the said directives differ with the requirements of these Standards, the requirements of the Trust Deed, the NBFC Rules 2003, the NBFC Regulations 2008 and the said directives shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments which are stated at their fair values.

2.3 Functional and presentation currency

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

2.4. Use of estimates and judgments

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

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

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

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

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

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

- IAS 24 Related Party Disclosures (revised 2009) – (effective for annual periods beginning on or after 1 January 2011). The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Fund's financial statements.

- Improvements to IFRSs 2010 – IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2011). These amendments add an explicit statement that qualitative disclosure should be made in the contact of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments. In addition, the IASB amended and removed existing disclosure requirements.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

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

a) Financial asset at fair value through profit or loss

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

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

b) Available-for-sale

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

c) Loans and receivables originated by the enterprise

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

d) Financial liabilities

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

Recognition

The Fund recognises financial assets and financial liabilities on the date when it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

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

Measurement

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

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

Fair value measurement principles

Basis of valuation of Quoted Equity Securities

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

Basis of valuation of Sukuk Certificates

- Investments in sukuk certificates have been valued on the basis of period end rates quoted by the Mutual Fund Association of Pakistan.

- Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the Securities and Exchange Commission of Pakistan and the Fund's provisioning criteria. These are elaborated in note 3.2 to these financial statements.

3.2 Impairment

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

Impairment of debt securities held by the Fund is determined on the basis of repayment passed due from its contractual maturity. Such provisions are made as per criteria specified in Circular 01 of 2009 and Circular 03 of 2010. Accelerated provisions are made if circumstances warrant, as per the provisioning policy approved by the Board of the Management Company as per Circular 13 of 2009.

However, the decrease in impairment loss on debt securities classified as available for sale is recognised in income statement. The reversal of impairment of debt security reclasified as performing by MUFAP in terms of circularNo,1/2009 read in conjunction No.3/2010 is made to the extent of increased price difference between amount recorded in books prior to reclassification as performing and price announced by MUFAP on reclassification.

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

3.3 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.

3.4 Unit holders' fund

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

3.5 Issue and redemption of units

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

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

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

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

The Fund records the net element of accrued income / (loss) and realised capital gains / (losses) relating to units issued and redeemed during an accounting period in the Income Statement while the portion of the element of income / (loss) and capital gains / (losses) that relates to unrealised gains / (losses) relating to available-for-sale investments held by the Fund is recorded in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders.

3.7 Provisions

A provision is 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.

3.8 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from 03 September 2007 as per the Trust Deed of the Fund.

3.9 Net asset value per unit

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

3.10 Earning per unit

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

3.11 Taxation

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

3.12 Offsetting of financial instruments

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

3.13 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.

- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in the Income Statement in the period in which they arise.

- Income on sukuk certificates, term deposits receipts, bank deposits and placements is recognised on a time proportionate basis using effective yield method.

- Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units repurchased is included in the Income Statement on the date of issue and redemption of units.

- Dividend income is recognised when the right to receive the dividend is established.

3.14 Expenses

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

3.15 Cash and cash equivalents

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

3.16 Dividend distribution and appropriations

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

4. BANK BALANCES		30 June 2011	30 June 2010
		(Rupees in '000)	
Deposit accounts	4.1	**143,597**	142,858
Current account		**24**	30
		143,621	142,888

4.1 These balances in saving deposit accounts bear profit rates ranging from of 5.33% to 9.27% (2010: 6.21% to 8.01%) per annum.

5. INVESTMENTS		30 June 2011	30 June 2010
		(Rupees in '000)	
- Available for sale			
In quoted equity securities	5.1	**23,558**	67,723
In sukuk certificates	5.2	**15,659**	27,186
		39,217	94,909
- At fair value through profit or loss-held for trading			
In quoted equity securities	5.4	**145,006**	89,868
		184,223	184,777

5.1 Investment in quoted equity securities - ' available for sale'

Name of the investee company	As at 01 Jul 2010	Purchases during the year	Bonus during the year	Sales during the year	As at 30 June 2011	Cost as at 30 June 2011	Market value as at 30 June 2011	Unrealized appreciation / (diminution) in the value of investments	Investments as a percentage of net assets % assets	Market value as a percentage of total investments %	Par value as percentage of issued capital of investee company %
	------------------ (Number of Shares) ------------------					(Rupees in '000)					
Banks											
BankIslami Pakistan Limited	400,000	-	-	-	400,000	2,699	1,360	(1,339)	0.00	0.74	0.76
						2,699	1,360	(1,339)			
Electricity											
Hub Power Company Limited	441,500	-	-	441,500	-	-	-	-	-	-	-
Kohinoor Energy Limited	475,000	-	-	-	475,000	9,919	7,838	(2,081)	2.00	4.25	0.28
						9,919	7,838	(2,081)			
Oil and Gas											
Oil and Gas Development Company Limited	145,000	-	-	145,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	50,000	-	-	10,000	40,000	5,470	14,360	8,890	4.00	7.80	0.02
						5,470	14,360	8,890			
Chemicals											
Fauji Fertilizer Company Limited	81,555	-	-	81,555	-	-	-	-			
						-	-	-			
Grand total						18,088	23,558	5,470			

5.1.1 All shares have a face value of Rs. 10 each.

5.2 Investment in sukuk certificates

Name of the investee company	Notes	Credit rating	Expected profit rates	As at 01 Jul 2010	Purchases during the year	Sales / Maturity during the year	As at 30 June 2011	Cost as at 30 June 2011	Market value as at 30 June 2011	Unrealized appreciation / (diminution) in the value of investments	Investments as a percentage of net assets %	Market value as a percentage of total investments %	Outstanding principal as percentage of issued debt capital %
				------ (Number of Sukuk bonds) ------				(Rupees in '000)					
Maple Leaf Cement Factory Limited -I	5.2.2	BB+	3 Months KIBOR +1.0%	5,000	-	-	5,000	24,968	15,659	(9,309)	4.78	8.50	-
Maple Leaf Cement Factory Limited-II	5.2.3		3 Months KIBOR +1.0%	-	188	-	188	940	-	(940)	-	-	-
Karachi Shipyard Engineering Works Limited		Government Guaranteed	6 Months KIBOR + 0.4%	2,000	-	2,000	-	-	-	-	-	-	-
Total								25,908	15,659	(10,249)			
Total Investment								43,996	39,217	(4,779)			

5.2.1 The nominal value of sukuk certificates is Rs. 5,000 each

5.2.2 This represents investment in sukuk certificates of Maple Leaf Cement Factory Limited (MLCF), secured against first pari passu charge over all present and future fixed assets with a 25% margin.

MLCFL had to pay the installment comprising of profit on the said sukuk certificates on 3 December 2009 which it was unable to pay due to the financial difficulties being faced by it. Considering this it was classified as non-performing debt security by MUFAP.

MLCFL entered into a financial restructuring agreement with the sukuk investors in February 2010. The revised terms agreed between the issuer and the investors were as follows:

- Payment of principal amount shall be made on a quarterly basis in arrears commencing from 3 March 2010 with final redemption on 3 December 2018.
- Payment of mark up shall be as follow:
- mark-up for the period from December 2009 to March 2011 equal to 0.5% of the mark-up amount due on their respective due dates in quarterly instalments. Remaining 99.5% mark up for the above period to be paid by the borrower during March 2012 to December 2017 in 24 equal quarterly instalments
- mark-up for the period due from March 2011 to December 2018 to be collected on their respective quarterly due dates except that the mark up for the June 2011 quarter shall be payable along with the September 2011 quarter.

On 13 October 2010, these sukuk certificates were classified as performing by MUFAP on payment of two installments as per the restructured terms. In line with SECP directives, the Fund has recognized the present value of markup for the period from 13 October 2010 to 3 March 2011amounting to Rs. 1.096 million and markup for the period from 4 March 2011 to 30 June 2011 amounting to Rs. 1.2 million as income on 30 June 2011.

Furthermore, during the year market price of MLCF I (as quoted by MUFAP) has further decreased, accordingly the management has recognized provision for impairment to profit and loss account amounting to Rs. 1.8 million, considering the credit risk on these sukuk certificates.

The Fund has recognised provision of Rs. 0.94 million against the investment in MLCFL II considering that it represents suspended mark-up which has not been received to date.

5.2.3 This represent additional Sukuk of MLCF received by the fund through restructuring agreement reached between lendors and MLCF. Under such agreement outstanding markup due on December 3,2009amounting to Rs. 1.94 million was settled partially in the form of Sukuk certificates valuing Rs 0.94 million. These investment have not been recorded as 100% impaired since these have been received in leiu of suspended over markup to be recognized to income upon realization.

5.2.4 Detail of non-compliant investments with the investment criteria prescribed in the circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan

As per circular 7 of 2009, minimum credit rating of the debt instrument in which investment is placed should not be lower than A- (A minus). However, following investment is non-compliant, since the investment grading as per PACRA is lower than A- (A minus).

Name of Non Complaint Investment	Type Of Investment	Value of Investment before provision (Rupees in '000)	Fair Value as a % of net assets	Fair Value as a % of gross assets	Credit Rating
Maple Leaf Cement Factory Limited-I	Sukuk Certificates	25,908	4.78	4.67	BB+

5.3 Net unrealised appreciation / (diminution) in the value of investments classified as 'available-for-sale'

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
Fair value of investments classified as 'available for sale'		**39,217**	94,909
Less: Cost of investments classified as 'available for sale'		**(43,996)**	(76,834)
Net unrealized appreciation / (diminution) in the value of investments		**(4,779)**	18,075
Impairment charged to income statement	5.3.1	**4,838**	1,064
		59	19,139
Net unrealized (appreciation) / diminution in the value of investments at the beginning of the year / period		**(18,075)**	(24,343)
Net unrealised appreciation / (diminution) in the value of investments at the end of the year / period		**(18,016)**	(5,204)

5.3.1 Particulars of impairement in the value of investments classified as 'available for sale'

	2011	2010
Opening balance	**8,915**	7,851
Impairment realized during the year on sale of investment	**-**	-
Charge for the year	**4,838**	1,064
Closing balance	**13,753**	8,915

5.4 Investment in quoted equity securities - 'at fair value through profit or loss'

Name of the investee company	As at 01 Jul 2010	Purchases during the period	Bonus during the period	Sales during the year	As at 30 June 2011	Cost as at 30 June 2011	Market value as at 30 June 2011	Unrealized appreciation / (diminution) in the value of investments	Investments as a percentage of net assets % assets	Market value as a percentage of total investments %	Par value as percentage of issued capital of investee company %
	------------------ (Number of Shares) ------------------					(Rupees in '000)					
Electricity	883,500	441,500	-	632,697	692,303	20,087	25,961	5,874	8.00	14.10	0.06
Hub Power Company Limited	10,000	-	-	-	10,000	298	165	(133)	0.00	0.09	0.01
Kohinoor Energy Limited						20,385	26,126	5,741			
Oil and Gas											
Pakistan State oil Company Limited	90,000	217,500	-	250,000	57,500	16,288	15,213	(1,075)	5.00	8.20	0.03
Oil & Gas Development Company Limited	5,000	367,500	-	258,500	114,000	17,875	17,441	(434)	5.00	9.50	0.00
Pakistan Oilfields Limited	15,000	198,500	-	201,000	12,500	4,451	4,487	36	1.00	2.40	0.00
Pakistan Petroleum Limited	70,000	290,000	-	280,000	80,000	16,085	16,566	481	5.00	8.90	0.01
National Refinery limited	-	20,000	-	20,000	-	-	-	-	-	-	-
						54,699	53,707	(992)			
Chemicals											
Fauji Fertilizer Bin Qasim Limited	-	510,000	-	310,000	200,000	8,528	8,430	(98)	3.00	4.58	0.00
Fauji Fertilizer Company Limited	18,445	555,000	-	388,445	185,000	25,520	27,815	2,295	8.00	15.10	0.03
ICI Pakistan Limited	100,217	100,000	-	170,217	30,000	4,458	4,556	98	0.01	2.47	0.02
						38,506	40,801	2,295			
Fixed Line Telecommunication											
Pakistan Telecommunication Company Limited	150,000	50,000	-	200,000	-	-	-	-	-	-	-
						-	-	-			
Construction and Materials											
D.G Khan Cement Company ltd	-	500,000		500,000	-	-	-	-	-	-	-
Lucky Cement Limited	75,000	360,000	-	435,000	-	-	-	-	-	-	-
						-	-	-			
Automobile and Parts											
Indus Motor Company Limited	-	35,000	-	-	35,000	7,866	7,700	(166)	2.00	4.18	0.04
						7,866	7,700	(166)			
General Industrials											
Thal Limited	-	165,000	-	-	165,000	17,300	16,672	(628)	5.00	9.05	0.54
Packages limited	-	50,000	-	50,000	-	-	-	-			
						17,300	16,672	(628)			
Grand total						**138,756**	**145,006**	**6,250**			

5.5 Net unrealised appreciation / (diminution) in the value of investments 'at fair value through profit or loss'

	30 June 2011	30 June 2010
	(Rupees in '000)	
Fair value of investments classified as 'at fair value through profit or loss'	**145,006**	89,868
Less: Cost of investments classified as 'at fair value through profit or loss'	**(138,756)**	(95,111)
Net unrealised appreciation in the value of investments	**6,250**	(5,243)
Net unrealised appreciation in the value of investments at the begining of the year / period	**5,243**	(8,011)
Realised on disposal during the year / period	**(6,512)**	4,186
	(1,269)	(3,825)
Net unrealised appreciation in the value of investments at the end of the year / period	**4,981**	(9,068)

		30 June 2011	30 June 2010
6. DIVIDEND AND PROFIT RECEIVABLE		**(Rupees in '000)**	
Dividend receivable		**570**	488
Profit receivable on deposit accounts with banks		**1,162**	947
Income receivable on sukuk certificates		**2,291**	209
		4,023	1,644

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with Central Depository Company of Pakistan Limited	**-**	100
Deposit with National Clearing Company of Pakistan Limited	**2,600**	2,600
	2,600	2,700

8. PRELIMINARY EXPENSES AND FLOATATION COSTS

Preliminary expenses and floatation costs	**1,544**	1,896
Amortisation during the year / period	**(710)**	(352)
	834	1,544

8.1 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 03 September 2007 as per the Trust Deed of the Fund.

9. PAYABLE TO ALFALAH GHP INVESTMENT MANAGEMENT LIMITED – MANAGEMENT COMPANY

Under the provisions of NBFC Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged its remuneration at the rate of 2.25% per annum for the current year.

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

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

Average Net Asset Value (Rs. in million)		Tariff per annum
From 1	To 1,000	Rs 0.7 million or 0.2 % pa of NAV whichever is higher
>1,000	& above	Rs 2 million plus 0.1 % pa of NAV exceeding Rs. 1000 million.

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

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

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	**30 June 2011**	30 June 2010
		(Rupees in '000)	
Brokerage payable		**29**	7
Auditors' remuneration		**520**	470
Withholding tax payable		**-**	9
Legal and professional charges		**90**	84
Settlement Charges		**18**	16
Charity payable	*12.1*	**127**	453
Other Liabilities		**17**	-
Provision for Workers' Welfare Fund		**3,856**	2,785
		4,657	3,824

12.1 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments whereby a portion of investment of such investee has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the fund.

13. CONTINGENCIES AND COMMITMENTS

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

14. WORKERS' WELFARE FUND

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

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

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

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF amounting to Rs. 3.856 million up to 30 June 2011.

15. CLASSES OF UNITS IN ISSUE

15.1 The Fund may issue following classes of units:

Class	*Note*	Description
A (Restricted / Core)	15.1.1	Units that shall be charged with no sales load.
A	15.1.2	Units that shall be charged with no sales load.
B	15.1.3	Units that shall be issued with or without sales load.

15.1.1 These units were issued to Core Investors with no sales load. These units cannot be redeemed for a period of two years from the date of Initial Public Offer.

15.1.2 These units were offered and issued during the Private Placement and Initial Period of Offer.

15.1.3 These units were offered and issued after the Initial Period of Offer.

16. AUDITORS' REMUNERATION

	30 June 2011	30 June 2010
	(Rupees in '000)	
Audit fee	**275**	250
Other certifications and services	**502**	260
Out of pocket expenses	**43**	36
	820	546

17. INTERIM DISTRIBUTION

The Fund has made following distribution during the year.

Date	Rate	Bonus		Cash Distribution	Total
		Units	Amount		
		---------------- (Rupees) ----------------			
23 October 2010	2	7,831	429	11,180	11,609
30 December 2010	2	7,714	439	11,180	11,619
	4	15,545	868	22,360	23,228

18. TAXATION

The income of the Fund is exempt from income tax under clause 99 of part I of the second schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed among the unit holders. The management company has distributed sufficient accounting income of the Fund during and subsequent to the year end, refer note 24, in order to comply with the above stated clause and regulation. Accordingly, no tax provision has been made in these financial statements for the year ended 30 June 2011.

19. REMUNERATION TO THE SHARIAH ADVISORY BOARD

The Management Company has appointed Mufti Khalil Ahmed Aazami and Dr. Ejaz Ahmed Samadani as its Shariah Advisers. As per the Shariah Advisory agreement, the remuneration to the Shariah Advisory Board shall be paid by the Management Company.

20. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules 2003, NBFC Regulations 2008 and the Constitutive Documents respectively.

20.1 Transactions and balances with connected persons / related parties:

	30 June 2011	30 June 2010
Alfalah GHP Investment Management Limited - Management Company	**(Rupees in '000)**	
Balance at the beginning of the year / period	**616**	630
Remuneration for the year / period	**7,429**	3,800
	8,045	4,430
Amount paid during the year / period	**(7,440)**	(3,814)
Balance at end of the year / period	**605**	616
Central Depository Company of Pakistan Limited		
Balance at beginning of the year / period	**57**	61
Remuneration for the year / period	**700**	348
CDS Charges	**1**	-
	758	409
Amount paid during the year / period	**(699)**	(352)
Balance at the end of the year / period	**59**	57
Deposit with Central Depository Company of Pakistan Limited	**200**	200
Bank Alfalah Limited-Islamic Banking Division		
Deposits at the end of the year / period	**143,563**	142,841
Profit on deposit accounts for the year / period	**9,098**	3,046
Bank charges for the year / period	**3**	2

	30 June 2011 (Units in '000)	**30 June 2011 (Units in '000)**	30 June 2010 (Units in '000)	30 June 2010 (Units in '000)
Bonus units distributed	-	-	542	32,208

	30 June 2011	30 June 2010
	(Units in '000)	
Units held by	**5,590**	5,590
	(Rupees in '000)	
Cash dividend distributed	**33,540**	-

21. FINANCIAL RISK MANAGEMENT FRAMEWORK

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

21.1 Market risk

Market risk is the risk that changes in market prices, such as interest rate or equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of Market risk management is to manage and control market risk exposures within the investment parameters as defined in funds constitutive and investment policy documents, while optimizing the return. The Fund is categorized as shariah compliant assets allocation scheme and as per Fund Investment objective the Fund seeks to invest in shariah compliant equity and income (sukuks) instruments with a view to earning halal income for its investors over the medium to long term. The Management Company manages risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

21.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

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

The Fund manages interest rate risk by keeping a major portion of funds into short terms investments in the rising interest rate environment. Interest rate risk in debt securities are mitigated by investing mostly in instrument carrying floating rate coupouns which are linked to market interest rates, and are re-priced on quarterly / semi-annual basis. As at 30 June 2011, the investment in Sukuk certificates exposed to interest rate risks is detailed in Note 5.2.

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

	30 June 2011					
	Effective rate of mark-up/ return %	-----Exposed to Intrest rate risks ----				Total
		Upto three months	More than three months and upto one year	More than one year	Not exposed to Yield/ Interest rate risk	
		------------------------- (Rupees in '000) ---------------------------				
On-balance sheet financial instruments		**143,597**	**-**	**-**	**24**	**143,621**
Financial assets		**15,659**		**-**	**168,564**	**184,223**
Bank balances	**5.33 to 9.27**					
Investments	**3 months KIBOR + 1.0 to 6 months KIBOR + 0.4**					
Dividend and profit receivable		**-**	**-**	**-**	**4,023**	**4,023**
Deposits and other receivables		**-**	**-**	**-**	**2,600**	**2,600**
		159,256	**-**	**-**	**175,211**	**334,467**
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		**-**	**-**	**-**	**605**	**605**
Payable to Central Depository Company of Pakistan Limited - Trustee		**-**	**-**	**-**	**59**	**59**
Payable against purchase of investment					**2,269**	**2,269**
Accrued expenses and other liabilities		**-**	**-**	**-**	**801**	**801**
		-	**-**	**-**	**3,734**	**3,734**
On-balance sheet gap		**159,256**	**-**	**-**	**171,477**	**330,733**

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

	30 June 2010					
	Effective rate of mark-up/ return %	-----Exposed to Intrest rate risks ----				Total
		Upto three months	More than three months and upto one year	More than one year	Not exposed to Yield/ Interest rate risk	
		------------------------- (Rupees in '000) ---------------------------				
On-balance sheet financial instruments		142,858	-	-	30	142,888
		17,493	9,693	-	157,591	184,777
Financial assets						
Bank balances	6.21 to 8.01					
Investments	3 months KIBOR + 1.0 to 6 months KIBOR + 0.4					
Dividend and profit receivable		-	-	-	1,644	1,644
Deposits and other receivables		-	-	-	2,700	2,700
		160,351	9,693	-	161,965	332,009
Financial liabilities						
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	616	616
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	57	57
Accrued expenses and other liabilities		-	-	-	1,039	1,039
		-	-	-	1,712	1,712
On-balance sheet gap		160,351	9,693	-	160,253	330,297

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

Presently, the Fund holds KIBOR based interest bearing sukuk certificates exposing the Fund to cash flow interest rate risk. Fund's exposure in sukuk certificates amount to Rs. 15.66 million as at 30 June 2011. The Management have determined that a fluctuation in KIBOR interest rate of 100 basis points at June 30, 2011, with all other variables held constant, the net assets of the Fund and net income for the year would have been higher / lower by Rs 0.259 million (2010 Rs. 0.350 million).

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments as at 30 June 2011 which are classified as at fair value through profit or loss and available for sale exposing the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2011 is not necessarily indicative of future movements in interest rates.

21.1.2 Currency risk

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

21.1.3 Other Price Risk

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

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

The Fund's equity investments are concentrated in the following sectors:

Sectors	**30 June 2011 Sector %**	30 June 2010 Sector %
Banks	**0.81**	0.81
Electricity	**20.15**	35.03
Oil And Gas	**40.38**	45.43
Chemicals	**24.21**	14.08
Fixed Line Tele Communication	**-**	1.69
Construction and Materials	**-**	2.96
Automobile and Parts	**4.56**	-
General Industrials	**9.89**	-
TOTAL	**100.00**	100.00

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at 30 June 2011. The analysis is based on the assumption that KSE-100 index increase by 10% (30 June 2010:10%) and decreases by 10% (30 June 2010:10%), with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with index this represents managements' best estimate of a reasonable possible shift in the KSE-100 index, having regards to the historical volatility of index of past three years.

At 30 June 2010, the fair value of equity securities exposed to price risk was disclosed in notes 5.1 and 5.2.

	30 June 2011	30 June 2010
Effect due to increase / decrease in KSE 100 index	**(Rupees in '000)**	
Investment and net assets	**18,422**	18,478
Income statement	**18,422**	18,478

All other investments of the Fund are in corporate debt securities (TFC/Sukuks) both listed and unlisted which are fixed income instruments. The Fund expects minimal price fluctuation for these investments, other than those arising from interest rate and credit risk. As, a result, the Fund is not subject to significant other price risk in these investments.

21.2 Credit Risk

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

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

Credit risk on debt securities is mitigated by investing primarily investment grade securities both listed and unlisted. The Fund's Cash and cash equivalents are held mainly with Bank Alfalah Limited, which is rated AA by PACRA (2010: AA by PACRA)

The management company follows Circulars 1 of 2009 containing criteria for provisioning of non-performing debt securities issued by SECP for the purpose of making provision against non-performing debt securities. Further, Management Company has devised provisioning policy duly approved by its Board of Directors for making provision over and above that required by the said circular against non performing assets

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

Concentration of credit Risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly exposed to Government certificates and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

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

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

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

	30 June 2011	30 June 2010
	(Rupees in '000)	
Financial assets		
Bank balances	**143,621**	142,888
Investments in sukuk certificates	**15,659**	27,186
Dividend and profit receivables	**4,023**	1,644
Deposits and other receivables	**2,600**	2,647
	165,903	174,365
Secured	**15,659**	27,186
Unsecured	**150,244**	147,179
	165,903	174,365

None of the above financial assets were considered to be past due or impaired in 2011 and 2010.

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

	30 June 2011	30 June 2010
	(Rupees in '000)	
Cement	**15,659**	17,493
Engineering	**-**	9,693
	15,659	27,186

The analysis below summarizes the credit quality of the Fund's investment Sukuk certificates as at 30 June 2011.

Sukuk certificates by credit rating category	**30 June 2011**	30 June 2010
	(Rupees in '000)	
Government guaranteed	**0.00%**	35.65%
BB+ (Non rated)	**100.00%**	64.35%
	100.00%	100.00%

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

Bank balances by category wise	**30 June 2011**	30 June 2010
	(Rupees in '000)	
AA	**143,593**	142,860
AA-	**10**	10
A	**11**	11
A-	**7**	7
	143,621	142,888

21.3 Liquidity risk

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

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

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

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

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

	As at 30 June 2011		
On balance sheet financial liabilities	**Carrying value**	**Upto one month**	**More than one month upto three months**
Liabilities		**(Rupees in '000)**	
Payable to Alfalah GHP Investment Management Limited - Management Company	**605**	**605**	**-**
Payable to Central Depository Company of Pakistan Limited - Trustee	**59**	**59**	**-**
Payable against purchase of investments	**2,269**	**2,269**	**-**
Accrued expenses and other liabilities	**801**	**-**	**801**
	3,734	**2,933**	**801**

On balance sheet financial liabilities	As at 30 June 2010 Carrying value	Upto one month	More than one month upto three months
Liabilities	-------------------	(Rupees in '000)	-------------------
Payable to Alfalah GHP Investment Management Limited - Management Company	616	616	-
Payable to Central Depository Company of Pakistan Limited - Trustee	57	57	-
Accrued expenses and other liabilities	1,030	-	1,030
	1,703	673	1,030

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

21.4 Operational risk

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

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

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

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

21.5 Capital Risk Management

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

The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets conditions. The capital structure depends on the issuance and redemption of units.

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

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

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

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

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to the liquid assets;

- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and

- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

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

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

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	------------------------ (Rupees in '000) -----------------------			
Financial assets classified as 'available for sale'				
Equity securities	23,558	-	-	23,558
Debt securities	-	15,659	-	15,659
	23,558	15,659	-	39,217
Financial assets 'at fair value through profit or loss'				
Equity securities	145,006	-	-	145,006
Total	168,564	15,659	-	184,223

23. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

24. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in its meeting held on 02 July 2011 has proposed a final distribution of Rs.3.50 per unit (2010: 2.00 per unit) (cash dividend for 'income units' and bonus for 'growth units') for the year / period ended 30 June 2011 and 2010 respectively .

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

25. DATE OF AUTHORISATION FOR ISSUE

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

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

1.1 PERFORMANCE TABLE

	Year ended 30 June 2011	**Six months ended 30 June 2010**	Year ended 31 December 2009
	--------------(Rupees in '000)-------------		
Net assets	**327,397**	328,896	327,316
		(Rupees per unit)	
Net asset value per unit	**56.73**	56.73	62.60
Year end offer price	**59.57**	59.57	64.17
Highest offer price	**62.67**	66.46	66.46
Lowest offer price	**56.66**	58.54	43.78
Year end repurchase price	**56.73**	56.73	62.60
Highest repurchase price	**59.69**	66.55	64.84
Lowest repurchase price	**53.96**	56.58	42.71
Distribution - Interim	**Rs. 4.00**	Nil	Rs. 2.96
Distribution - Final	**Rs. 3.50**	Rs. 2.00	Rs. 6.38
Total distribution	**Rs. 7.50**	Rs. 2.00	Rs. 9.34
		Announcement date of distribution	
Interim	**(i) 21-Oct-10; (ii) 30-Dec-10**	N/A	26 June 2009
Final	**07 JuLY 2011**	21 October 2010	12 March 2010
	30 June 2011	**30 June 2010**	31 December 2009
		(Percentage)	
Total return of the Fund	**11.08%**	0.35%	56.34%
Annual dividend distribution (bonus units)	**13.70% Cash (Income Units) & Bonus (Growth Units)**	15% Bonus Units	7% Cash
Capital growth	**-2.62%**	-14.65%	49.34%
Average annual return			
- Half year	**N/A**	0.35%	N/A
- First year	**11.08%**	37.79%	56.34%
- Second year	**17.22%**	15.28%	18.93%
- Third year	**12.46%**	N/A	N/A
Return Since Inception	**48.65%**	34.96%	33.34%
		(Days)	
Weighted average portfolio duration	**N/A**	N/A	N/A
Launch date		**02 September 2007**	

Portfolio Composition (See Fund Manager Report).

Disclaimer

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

1.2 RATING

Credit rating of the Management Company is 'AM3' The credit rating of the fund is '4 Star'

1.3 INVESTMENT COMMITTEE

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

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

Mr. Ather H. Medina is the Fund Manager of Alfalah GHP Islamic Fund. Other Funds being managed by the Fund Manager are as follows:

- Alfalah GHP Value Fund
- Alfalah GHP Alpha Fund

1.4 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

List of the top ten brokers by percentage of the commission paid during the year are as follows:

	30 June 2011
DJM Securities (Private) Limited	**8.74%**
JS Global Capital Ltd.	**7.72%**
Taurus Securities Limited	**7.20%**
KASB Securities Limited	**6.55%**
Next Capital Limited	**5.83%**
Foundation Securities (Private) Ltd.	**5.83%**
Invisor Securities (Pvt) Ltd.	**5.51%**
Elixir Securities Pakistan (Pvt) Ltd.	**4.66%**
Top line Securities (Pvt) Ltd.	**4.07%**
AKD Securities Limited	**4.00%**

	30 June 2010
DJM Securities (Private) Limited	7.76%
Habib Metropolitan Financial Services Limited	6.76%
BMA Capital Management Limited	6.41%
Foundation Securities (Private) Limited	5.81%
KASB Securities Limited	5.19%
Motiwala Securities (Private) Limited	5.19%
AKD Securities Limited	5.06%
Crosby Securities Pakistan (Private) Limited	4.96%
Invisor Securities (Private) Limited	4.57%
Multiline Securities (Private) Limited	4.46%

1.5 PATTERN OF UNIT HOLDING

As at 30 June 2011

Category	Number of unit holders	Units held	Investment Amount (Rupees in '000)	Percentage of total investment (%)
Individual	32	40,478	2,296	0.80
Associated companies	1	5,590,077	317,129	96.42
Insurance companies	2	99,352	5,636	1.54
Banks / financial institutions	-	-	-	-
Retirement Funds	3	41,175	2,336	1.24
Public companies	-	-	-	-
Others	-	-	-	-
	38	5,771,082	327,397	100.00

As at 30 June 2010

Category	Number of unit holders	Units held	Investment Amount (Rupees in '000)	Percentage of total investment (%)
Individual	34	46,382	2,631	0.80
Associated companies	1	5,590,077	317,129	96.42
Insurance companies	2	89,441	5,074	1.54
Banks / financial institutions	-	-	-	-
Retirement Funds	5	71,605	4,062	1.24
Public companies	-	-	-	-
Others	-	-	-	-
	42	5,797,505	328,896	100.00

SIZE OF UNIT HOLDING

Size of Unit Holding	Number of Unit Holders	Total Units	Invested Amount	%
1 - 1000	21	4,480	254	0.08%
1001 - 5000	11	27,401	1,554	0.47%
5001 - 10000	1	10,000	567	0.17%
10001 - 50000	3	64,610	3,665	1.12%
50001 - 100000	1	74,514	4,227	1.29%
100001 - 6000000	1	5,590,077	317,128	97%
Total	38	5,771,082	327,397	100.00%

1.6 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

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