CONTENTS

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
Auditors:	Rahman Sarfaraz Rahim Iqbal Rafiq & Co. Chartered Accountants Plot No 180, Block A, S.M.C.H.S., Karachi -74400 Pakistan.
Legal Advisor:	Bawaney & Partners, Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10, Beaumont Road, Civil Lines, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 12th Floor, Tower 'A', Saima Trade Towers I.I. Chundrigar Road, Karachi.
Distributor:	Bank Alfalah Limited.
Rating:	4 Star by PACRA (Category: Asset Allocation)

MISSION STATEMENT

Alfalah GHP Value fund aims to provide its unit holders with sustainable return over a period through active asset allocation strategies.

VISION STATEMENT

Alfalah GHP Value Fund aims to establish itself as the investment vehicle of choice for investors who seek to achieve sustainable and consistent return over the long term through investment exposure to various 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 Value Fund (AGVF) is pleased to present its annual report on the affairs of AGVF along with the audited accounts, report of the trustee and auditor's report to the unit holders for the year ended June 30, 2011.

Financial Performance

Net assets under management as on June 30, 2011 were Rs. 437.40 million. During the year units worth Rs. 0.26 million were issued and units worth Rs. 52.10 million were redeemed.

AGVF earned a total income of Rs. 56.28 million for the year ended June 30, 2011 including impairment loss in the value of Investment classified as 'available for sale' of Rs. 25.61 million. Major sources of revenue were capital gains on sale of investments of Rs. 41.14 million, dividend income of Rs. 19.65 million, profit on bank deposits of Rs. 13.04 million and income from term finance and sukuk certificates of Rs. 10.22 and Rs. 0.75 million respectively. After accounting for expenses of Rs. 16.35 million, the net income from operating activities for the year stands at Rs. 39.93 million.

Income Distribution

The Board of Directors of Alfalah GHP Investment Management Ltd (AGIM), the Management Company of Alfalah GHP Value Fund (AGVF) in its meeting held on July, 07 2011 have declared Final distribution for the year ended June 30, 2011 in the form of cash dividend and bonus units at the rate of Rs.2.25 per unit, (i.e., 4.43% of the Ex-NAV of Rs. 50.75 at the beginning of the year). The Board in its meeting held on December 30, 2010 had already paid interim distribution for the half year ended December, 31 2010 at the rate of Rs.2.0 per unit, (i.e., 3.94% of the Ex-NAV of Rs. 50.75) at the beginning of the period. Therefore total distribution for the year ended June, 30 2011 amounts to Rs. 4.25 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 second 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.

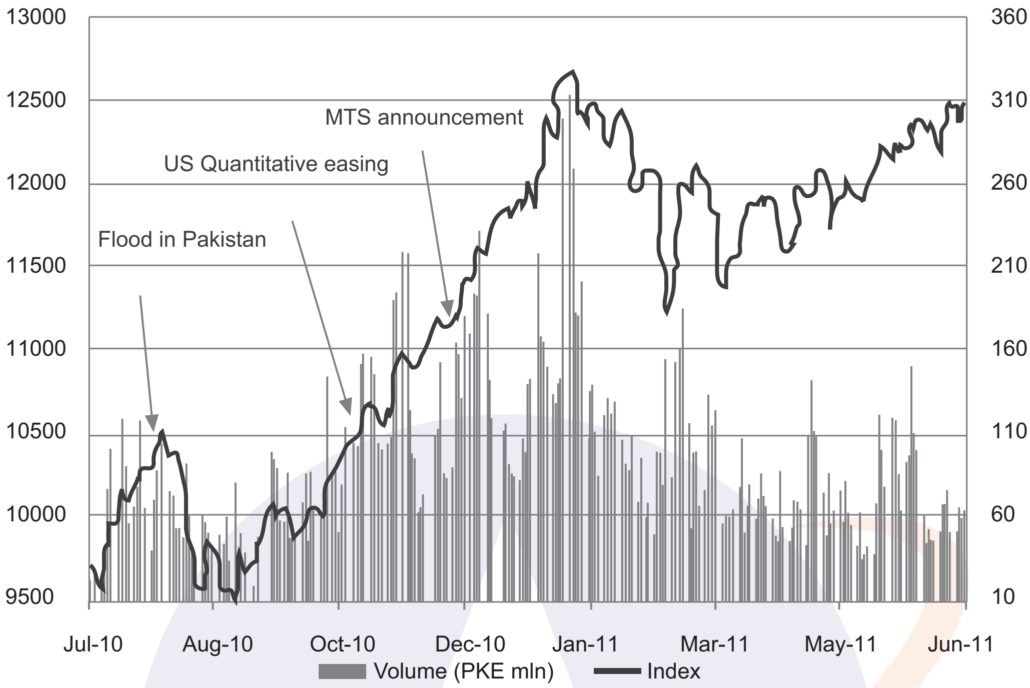
Asset Allocation

The asset allocation of AGVF as at June 30, 2011 was as follows:

Equity	50.69%
TFCs / Sukuks	14.42%
Cash / Bank deposits	32.06%
Others	2.83%
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

- The financial statements prepared by the management present fairly its affairs and the results of its operations, cash flows and movement in unit holders' funds.

- The Fund has maintained proper books of accounts.

- Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

- International Accounting Standards, as applicable in Pakistan, provisions of the Non Banking Financial Companies (Establishment and Regulation) Rules, 2003, Non Banking Finance Companies (NBFC) Regulations 2008, requirements of the Trust Deed and directives of Securities and Exchange Commission of Pakistan have been followed in preparation of the financial statements.

- The system of internal control is sound in design and has been effectively implemented and monitored.

- There are no significant doubts upon Funds' ability to continue as a going concern.

- There has been no material departure from the best practices of corporate governance, as detailed in the Karachi Stock Exchange (KSE) Listing Regulations.

- Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.

- Pattern of share holding of units is given in annexure of the annual report.

- Key financial data for the year ended June 30, 2011 is given in the annexure to the annual report.

- Profile of members of investment committee is given in the annexure to the annual report.

Attendance of Board Meetings

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

Appointment of External Auditors

As recommended by the Audit Committee, the Board of Directors of the Management Company has reappointed M/s Rahman Sarfaraz Rahim Iqbal Rafiq & Co. 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 cooperation and support. The Directors also appreciate the efforts put in by the management team for the growth and the meticulous management of the Fund.

For and on behalf of the Board

25 August, 2011
Karachi

Abdul Aziz Anis
Chief Executive

REPORT OF THE FUND MANAGER

Investment objective

Alfalah GHP Value Fund is an open ended asset allocation fund. The Fund being an asset allocation fund invests in both equity and debt and money market instruments. Added to this the Fund also seeks to make opportunistic investments in CFS and arbitrage opportunities as and when possible subject to attractive returns and market dynamics. The Fund seeks to actively switch and manage investment allocations in the above asset classes with a view to optimizing returns (on a risk adjusted basis) over the medium to long term.

Objective accomplishment

The per unit Net Asset Value of AGVF appreciated by 8.14% 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 50.7% during the Aug-Nov period. The exposure to equity was increased in Dec-Jan to an average of 72.1% 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 51.2% in the Feb-Jun period.

The performance of the fund's Term Finance Certificate / Sukuks 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% KSE 100 Index + 50% 6 month KIBOR.

Funds' performance with benchmark

FY'11 Return	Benchmark	Relative Performance
8.14%	20.98%	-12.84%

Investment Strategies

The Alfalah GHP Value Fund invests in fixed return corporate debt instruments i.e., Term Finance Certificates and Sukooks. At the time these investments were initiated, the overall macroeconomic environment in the country was on an uptrend, and a low interest rate environment prevailed. However, subsequently, the economic environment has substantially deteriorated, and rising interest rates have resulted in rising cost of debt, thus leading to the inability of corporate borrowers to service their debt obligations. Due to the illiquid market for TFCs/Sukooks, the fund has not been able to divest all the fixed income instruments in its portfolio, and frequent price downward revisions in the same have adversely impacted returns for the fund during the mentioned period.

An additional factor for the underperformance of the equity component was that the reduced level of activity in the market made it more susceptible to manipulation, as evidenced by the activity in Nestle Pakistan during the year. Nestle witnessed an appreciation of 228% in its share price during the year with an average daily turnover of only 1,060 shares. With a weightage of 8.2% in the KSE 100 Index, the 228% increase in Nestle share price was a significant driver of the 28% rise in the broader market, while the total value of trades in Nestle in FY11 was only PKR608 million, i.e. 0.06% of the total market value traded of PKR956.58 billion. A report by Topline Securities dated June 30, 2011 has determined that barring the share price appreciation in Nestle, the KSE 100 would have increased by 21% for the year.

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

Asset allocation (June 30, 2011)

Equity	50.69%
TFCs /Sukuks	14.42%
Cash / Bank Deposits	32.06%
Others	2.83%
TOTAL	**100.00%**

Fund's Performance

On Size

As on June 30, 2011	As on June, 30, 2010	% Change
437,396	459,867	-4.89%

On Price ^

As on June 30, 2011	As on June, 30, 2010	% Change **
52.87	50.75	8.14%

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

Disclosure on the Markets

The Fund mainly invests in the following markets:

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

- **Debt Securities**
  In this, investment is made in fixed income instruments issued by either govt. backed entities or private sectors companies at attractive rates.

  A full list of investment avenues for the Fund can be obtained from the Fund's Offering Document.

Markets and their Returns

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

- **Debt Securities**
  Overall debt market remained very volatile. T-Bill yields witnessed an upward trend in FY 2011. The cut off yields on 3, 6 & 12 Months T-Bill during the year increased by 138.15 bps, 143.28 bps, and 148.86 bps respectively to 13.4851%, 13.7357% and 13.9074%, while the cut-off yield on 10-year PIBs increased by 141 bps to 14.0873% in FY 11.

Performance Table

Key financial data is disclosed in annexure to the financial statements

Risk Disclosure

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

Disclaimer

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

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

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

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

TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP VALUE FUND

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

The Alfalah GHP Value Fund (the Fund), an open-end fund was established under a trust deed dated May 19, 2005, 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 (NBFC Regulations) and the constitutive documents of the Fund.

We would like to draw unit holders attention towards the following matters:

1. 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.

2. The fund is in non-compliance of NBFC Regulation 55(5) relating to exposure limits which states that not more than 10% of net assets shall be invested in a single entity. The Management Company had requested the SECP to grant additional period to regularize the excess exposure in MLCFL in terms of the prescribed limits as stated in the above mentioned NBFC Regulations stating the reason that it was due to decline in fund size. However, SECP had declined to approve the same.

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

Karachi: October 13, 2011

CENTRAL DEPOSITORY COMPANY

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

Russell Bedford

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN.
Tel No. : (021) 34549345-9
Fax No. : (021) 34548210
E-Mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Islamabad

REVIEW REPORT TO THE MEMBERS 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 **ALFALAH GHP VALUE FUND** ("the Fund"), to comply with the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. 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 Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

Further, Sub-Regulation (xiii a) of Listing Regulations 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 related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in the arm's length transactions and transactions 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 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 as applicable to the Fund for the year ended **June 30, 2011.**

Rahman Sarfaraz Rahim Iqbal Rafiq

Karachi.
Date: **September 24, 2011**

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Russell Bedford
Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN.
Tel No. : (021) 34549345-9
Fax No. : (021) 34548210
E-Mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Islamabad

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

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

Management's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 financial position of Alfalah GHP Value Fund as of June 30, 2011 and of its financial performance, cash flows for the year ended June 30, 2011 in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of NBFC Rules and Regulations 2008.

25 AUG 2011
Dated:
Karachi

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Audit Engagement Partner: Muhammad Waseem

A member of
Russell Bedford International
A global network of independent accountancy firms, business consultants and specialist legal advisers.

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2011

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
Assets			
Bank balances	4	**143,349**	139,118
Investments	5	**291,096**	320,959
Dividend and profit receivable	6	**9,031**	3,000
Advances, deposits and other receivables	7	**3,600**	3,700
Preliminary expenses and floatation costs	8	**-**	165
Total assets		**447,076**	466,942
Liabilities			
Payable against Purchase of Investments		**1,865**	-
Payable to Alfalah GHP Investment Management Limited - Management Company	9	**720**	978
Payable to Central Depository Company of Pakistan Limited - Trustee	10	**72**	78
Payable to Securities and Exchange Commission of Pakistan -Annual fee	11	**429**	244
Accrued expenses and other liabilities	12	**6,593**	5,775
Total liabilities		**9,679**	7,075
Contingencies and Commitments	13	**-**	-
Net Assets		**437,397**	459,867
Unit holders' Funds (as per statement attached)		**437,397**	459,867
		(Number of units)	
Number of units in issue		**8,272,524**	9,061,542
		(Rupees)	
Net Asset Value per unit		**52.87**	50.75

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 month ended 30 June 2010*
		(Rupees in '000)	
Income			
Gain/(Loss) on sale of investment- net		**41,141**	9,228
Income from Sukuks		**10,221**	2,963
Income form Term finance certificates		**75**	1,887
Dividend income		**19,657**	11,098
Profit on deposit accounts with banks		**13,048**	4,173
Unrealised (diminution) in the value of investment 'at fair value through profit or loss'		**(2,820)**	(10,375)
Impairment in the value of investments classified as 'available for sale'		**(25,605)**	(7,494)
Amortization of discount on TFC's/Sukuk certificates		**560**	241
Total income		**56,278**	11,721
Expenses			
Remuneration of Alfalah GHP Investment Management Limited - Management Company	*9.1*	**9,798**	6,420
Remuneration of Central Depository Company of Pakistan Limited - Trustee	*10.1*	**904**	514
Annual fee - Securities and Exchange Commission of Pakistan	*11*	**429**	244
Amortization of preliminary expenses and floatation costs	*8*	**164**	248
Bank and settlement charges		**286**	275
Auditors' remuneration	*14*	**520**	381
Brokerage		**2,568**	897
Provision for worker welfare fund	*15*	**761**	4,789
Other charges		**922**	249
Total expenses		**16,352**	14,017
Net income / (loss) from operating activities		**39,926**	(2,296)
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		**(2,615)**	1,453
Net income / (loss) for the year / period		**37,311**	(843)

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

	Year ended 30 June 2011	Six month ended 30 June 2010*
	(Rupees in '000)	
Net income / (loss) for the year / period	**37,311**	(843)
Other comprehensive income:		
Net unrealised (diminution) / appreciation during the year / period in fair value of investments classified as 'available for sale'	**(4,776)**	3,167
Element of income and capital gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains.	**1,438**	89
Other comprehensive (loss) / Income for the year / period	**(3,339)**	3,256
Total comprehensive income for the year / period	**33,972**	2,413

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 month ended 30 June 2010*
	(Rupees in '000)	
Undistributed (loss) / income brought forward		
- Realized	**218,989**	300,938
- Unrealized	**(219,804)**	(209,429)
	(815)	91,509
Element of income and capital gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains	**1,438**	89
Final Distribution of Bonus Units declared for the year ended December 31 2009 1,698,253 units of Rs. 10.64 per Unit	**-**	(91,570)
Net income / (loss) for the year / period	**37,311**	(843)
Interim distribution for the period ended 31 December 2010:		
- Cash Distribution: Rs. 2.00 per unit (2009 : Nil per unit)	**(5,779)**	-
- Issue of 213,244 bonus Units (2009 : Nil units)	**(11,212)**	-
	21,758	(92,324)
Accumulated income / (loss) carried forward		
- Realized	**243,567**	218,989
- Unrealized	**(222,624)**	(219,804)
	20,943	(815)

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 month ended 30 June 2010*
	(Rupees in '000)	
Net assets at the beginning of the year / period	**459,867**	526,120
Issue of **4,942** units (30 June 2010: 207,973 units)	**260**	12,510
Redemption of **1,007,204** units (30 June 2010: 1,448,133 units)	**(52,102)**	(79,634)
	(51,841)	(67,124)
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 realized capital (gains) / losses - transferred to the Income Statement	**2,615**	(1,453)
- amount representing unrealized capital (gains) / losses - transferred directly to the Distribution Statement	**(1,438)**	(89)
	1,178	(1,542)
Final Distribution of Bonus Units declared for the year ended December 31 2009 1,698,253 units of Rs. 10.64 per Unit	**-**	91,570
Interim bonus distribution for the period ended December 31, 2010 - Issue of 213,244 bonus units at 3.94% (2009: Nil)	**11,212**	-
Net unrealized (diminution) / appreciation on revaluation of investments classified as 'available-for-sale'	**(4,776)**	3,167
Capital gain on sale of investment	**41,141**	9,228
Unrealised (diminution) in the value of investment 'at fair value through profit or loss'	**(2,820)**	(10,375)
Other net (loss) / income for the year / period	**(1,010)**	304
Element of income and capital gains included in prices of units sold less those in units redeemed - amount representing unrealized capital gains	**1,438**	89
Final Distribution of Bonus Units declared for the year ended December 31 2009 1,698,253 units of Rs. 10.64 per Unit	**-**	(91,570)
Interim distribution for the period ended 31 December 2010:		
- Cash Distribution: Rs. 2.00 per unit (2009 : Nil per unit)	**(5,779)**	-
- Issue of 213,244 bonus Units (2009 : Nil units)	**(11,212)**	-
Net income / (loss) for the year / period less distribution	**21,757**	(92,324)
Net assets at the end of the year/Period	**437,397**	459,867
	(Rupees in '000)	
Net asset value per unit at the beginning of the year / period	**50.75**	61.15
Net asset value per unit at the end of the year / period	**52.87**	50.75

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 month ended 30 June 2010*
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year / period	**37,311**	(843)
Adjustments for:		
Unrealised (diminution) in the value of investment 'at fair value through profit or loss'	**2,820**	10,375
Impairment in the value of investments classified as 'available for sale'	**25,605**	7,494
Dividend income	**(19,657)**	(11,098)
Profit on deposit accounts with banks	**(13,048)**	(4,173)
Amortization of preliminary expenses and floatation costs	**164**	248
Income from fixed income securities	**(10,297)**	(4,850)
Amortization of discount on TFC's/Sukuk certificates	**(560)**	(241)
Provision for worker welfare fund	**761**	4,789
Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	**2,615**	(1,453)
	(11,596)	1,091
	25,715	248
(Increase)/ decrease in assets		
Investments	**(2,778)**	152,043
Advances, deposits and other receivables	**100**	53
	(2,678)	152,096
Increase/ (decrease) in liabilities		
Payable against Purchase of Investment	**1,865**	(18,298)
Payable to Alfalah GHP Investment Management Limited - Management Company	**(258)**	(178)
Payable to Central Depository Company of Pakistan Limited - Trustee	**(6)**	(17)
Payable to Securities and Exchange Commission of Pakistan -Annual fee	**185**	(388)
Accrued expenses and other liabilities	**57**	(259)
	1,844	(19,140)
WWF paid	**-**	-
	1,844	(19,140)
Dividend received	**19,569**	11,873
Profit received on TFCs / Sukuk certificates	**4,385**	5,811
Profit received on bank deposit	**13,017**	3,666
	36,971	21,350
Net cash generated from operating activities	**61,851**	154,554
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	**260**	12,510
Payment against redemption of units	**(52,102)**	(79,634)
Cash dividend Paid	**(5,779)**	-
Net cash used in financing activities	**(57,620)**	(67,124)
Net increase in cash and cash equivalents during the year / Period	**4,231**	87,430
Cash and cash equivalents at the beginning of the year / period	**139,118**	51,688
Cash and cash equivalents at the end of the year / period	**143,349**	139,118

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 Value Fund is an open-end collective investment scheme ("the Fund") established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, ("the Management Company") and Central Depository Company of Pakistan Limited, (“the Trustee”). The Trust Deed was executed on 19th May, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules 2003 (“NBFC Rules”), on 13th May, 2005.

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM3' (Outlook: Positive) to the Management Company in its rating report dated 22 February 2011 and 4 Star (short term) and 4-Star (long term) to the fund in its rating report dated 27 September 2010.

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

These financial statements comprise of the statement of assets and liabilities as at 30 June 2011 and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' funds, statement of cash flows and notes thereto, for the year ended 30 June 2011.

1.1 Change of accounting year

During previous period, 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, these financial statements cover a period of twelve months to 30 June 2011, whilst the comparative figures are for the six months ended 30 June 2010.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC

Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.2 Initial application of standards, amendments or an interpretation to existing standards

Standards, amendments to published standards and interpretations that are effective in 2010 and are relevant to the Company:

- **IAS 1 (amendment), 'Presentation of financial statements' effective from July 1, 2010.** The amendment was part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. It did not have a material impact on the Company's financial statements.

- **IAS 39 (amendment); 'Cash flow hedge accounting' effective from July 1, 2010.** This amendment provides clarification when to recognise gains or losses on hedging instruments as a reclassification adjustments in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss. It did not have any affect on the Company's financial statements.

- **IFRIC 19 (interpretation), 'Extinguishing Financial Liabilities with Equity Instruments', effective from annual periods beginning on or after July 1, 2010.** The interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The Company has not offered its shares to the creditors, therefore, this interpretation could not have any impact on the Company's financial statements.

- **IAS 7 (Amended) Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2010).** The amendments clarify that only expenditures that result in the recognition of an asset can be classified as a cash flow from investing activities. These amendments are unlikely to have a significant impact on the Company's financial statements other than increase in disclosures.

- **Improvements to IFRSs 2009 – Amendments to IAS 39 Financial Instruments: Recognition and Measurement (effective for annual periods beginning on or after 1 January 2010).** The amendments provide additional guidance on determining whether loan prepayment penalties result in an embedded derivative that needs to be separated; clarify that the scope exemption in IAS 39 paragraph 2(g) is restricted to forward contracts, i.e. not options, between an acquirer and a selling shareholder to buy or sell an acquiree that will result in a business combination at a future acquisition date within a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and clarify that the gains or losses on a cash flow hedge should be reclassified from other comprehensive income to profit or loss during the period that the hedged forecast cash flows impact profit or loss. The amendments apply prospectively to all unexpired contracts from the date of adoption. These amendments are unlikely to have an impact on the Company's financial statements.

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

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

Improvements to IFRSs 2009

- 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 recognized 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 recognized in other comprehensive income is also 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.

2.4 Other accounting development

Disclosures pertaining to fair values and liquidity risk for financial instruments

The Fund has applied Improving Disclosures about Financial Instruments (Amendments to IFRS7), issued in March 2009, that require enhanced disclosures about fair value measurements and liquidity risk in respect of financial instruments.

The amendments require that fair value measurement disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values of financial instruments. Specific disclosures are required when fair value measurements are categorized as Level 3 (significant unobservable inputs) in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore, changes in valuation techniques from one period to another, including the reasons therefore, are required to be disclosed for each class of financial instruments.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

2.7 Use of estimates and judgment

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

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

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

a) Classification and valuation of financial instruments (notes 3.1)
b) Impairment (note 3.3)
c) Provisions (notes 3.8)
d) Recognition of provision for current taxation (current and prior year) and deferred taxation notes (3.12)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial instruments

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

a) Financial instruments at fair value through profit or loss

Financial assets are classified at fair value through profit or loss that are acquired principally for the purpose of generating profit from short term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short term profit taking exists or those which are designated as such during upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or a derivative.

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

b) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'. Available for sale assets are those non-derivative financial assets that are designated as available for sale or not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit and loss.

c) Loans and receivables originated by the enterprise

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

d) Financial liabilities

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

Recognition

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

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

Measurement

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

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

3.2 Offsetting of financial instruments

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

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 TFC's and Sukuk Certificates

The carrying value of debt securities is based on the value determined and announced by MUFAP in accordance with criteria laid down in circular No. 1/2009 dated 6 January 2009 issued by SECP. The said circular prescribes a valuation methodology which in case of currently traded securities, is based on weighted average prices during the 15 days preceding the valuation date and in case of thinly or non-traded securities, on the basis of discount coupon method which takes into consideration credit risk and maturities of the instruments.

The provision for impairment of debt securities is based on the criteria laid down in circular No. 1/2009 dated 6 January 2009, circular no. 3/2010 issued by SECP and provision policy of the Company as approved by the Board. The reversal of impairment of debt security reclassified as performing by MUFAP in terms of circular no. 1/2009 read in conjunction of circular 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.

3.3 Impairment

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

However, the decrease in impairment loss on equity securities classified as available for sale is recognized in unit holder's fund and for debt securities classified as available for sale is recognized in income statement.

3.4 Derecognition

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

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

3.5 Unit holders' fund

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

3.6 Issue and redemption of units

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

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

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

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

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

3.8 Provisions

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

3.9 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from 28 October 2005 as per Trust Deed of the Fund.

3.10 Net asset value per unit

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

3.11 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.

3.12 Taxation

Current

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.

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax assets on unutilized tax losses to the extent that these will be available for set off against future taxable profits. However, the Fund intends to avail the tax exemption by distributing at least ninety percent of its accounting income as reduced by capital gains, whether realized or unrealized, to its unit holders every year. Accordingly, no tax liability and deferred tax has been recorded.

3.13 Revenue recognition

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

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

- Gains / (losses) arising on revaluation of derivatives to fair value are taken to the Income Statement.

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

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

- Profit on bank deposit is recognized on time proportionate basis taking into account effective yield.

3.14 Expenses

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

3.15 Cash and cash equivalents

Cash and cash equivalent comprises saving account, short term deposits, bank overdrafts and other short term highly liquid investments that are readily convertible to known amounts of cash, are subject to 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	*Note*	**30 June 2011**	30 June 2010
		(Rupees in '000)	
Deposit accounts	*4.1*	**143,349**	139,118

4.1 This represents saving deposit accounts maintained with various banks carrying mark-up rate of 5 % to 10.5% (2010: 2.5% to 10.5%) per annum.

5. INVESTMENTS	*Note*	**30 June 2011**	30 June 2010
		(Rupees in '000)	
At fair value through profit or loss - held for trading			
Quoted equity securities	*5.1*	**225,943**	224,622
Available for sale			
Quoted equity securities	*5.2*	**691**	12,259
Investment in term finance certificates	*5.3*	**17,486**	31,600
Investment in sukuk certificates	*5.4*	**46,976**	52,478
		65,153	96,337
		291,096	320,959

5.1 Quoted equity securities - held for trading

Name of the investee company	Note	As at 01 Jul 2010	Purchases during the year	Bonus/ Rights Issue	Sales during the year	As at 30 June 2011	Carrying value as at 30 June 2011	Market value as at 30 June 2011	Market value as a percentage of: net assets	Market value as a percentage of: total investments	Percentage of paid up capital of the investee company
		---------------------- Number of shares	----------------------				(Rupees in '000)				
Banks											
Allied Bank Limited		-	189,200	-	189,200	-	-	-	-	-	-
Askari Bank Limited		-	520,000	30,000	200,000	350,000	5,657	3,808	0.87%	1.31%	0.05%
Bank Alfalah Limited (Related Party)		-	250,000	-	250,000	-	-	-	-	-	-
Faysal Bank Limited		-	100,000	-	100,000	-	-	-	-	-	-
Habib Bank Limited		-	100,000	7,000	107,000	-	-	-	-	-	-
Habib Metropolitan Bank Limited		-	185,000	37,000	-	222,000	5,296	4,833	1.10%	1.66%	0.02%
KASB Bank Limited		-	235,941	-	235,941	-	-	-	-	-	-
MCB Bank Limited		-	288,350	1,000	244,350	45,000	9,338	8,969	2.05%	3.08%	0.01%
Summit Bank Limited (formerly My Bank Limited)		1,938,250	-	-	-	1,938,250	23,727	5,310	1.21%	1.82%	0.37%
National Bank of Pakistan		100,000	755,000	75,000	635,000	295,000	16,088	14,874	3.40%	5.11%	0.02%
Silk Bank		300,000	-	-	300,000	-	-	-	-	-	-
United Bank Limited		25,000	790,000	-	705,000	110,000	7,485	6,810	1.56%	2.34%	0.01%
							67,590	44,603			
Non-Life Insurance											
Adamjee Insurance Company Limited		-	20,000	-	20,000	-	-	-	-	-	-
							-	-			
Construction and Material											
D. G. Khan Cement Company Limited		-	700,000	-	700,000	-	-	-	-	-	-
Lucky Cement Limited		-	594,092	-	594,092	-	-	-	-	-	-
							-	-			
Electricity											
Hub Power Company Limited	*5.1.2*	1,425,000	-	-	625,000	800,000	15,615	30,000	6.86%	10.31%	0.07%
Kot Addu Power Company Limited		464,500	100,000	-	564,500	-	-	-	-	-	-
Nishat Power Limited		-	200,000	-	200,000	-	-	-	-	-	-
Kohinoor Energy Limited		212,900	-	-	212,900	-	-	-	-	-	-
							15,615	30,000			
Oil and Gas											
Attock Petroleum Limited		10,000	184,300	-	194,300	-	-	-	-	-	-
Attock Refinery Limited		-	136,427	-	136,427	-	-	-	-	-	-
Byco Petroleum		-	25,000	-	25,000	-	-	-	-	-	-
Mari Gas Company Limited		-	5,000	-	5,000	-	-	-	-	-	-
National Refinery Limited		-	60,401	-	60,401	-	-	-	-	-	-
Oil and Gas Development Company Limited		164,400	266,380	-	299,062	131,718	21,137	20,152	4.61%	6.92%	0.00%
Pakistan Oilfields Limited		99,580	315,700	-	348,200	67,080	20,472	24,082	5.51%	8.27%	0.03%
Pakistan Petroleum Limited		100,000	448,100	2,000	440,100	110,000	23,106	22,778	5.21%	7.82%	0.01%
Pakistan State Oil Company Limited		80,000	455,044	-	463,044	72,000	20,855	19,050	4.36%	6.54%	0.04%
							85,570	86,061			
Industrial Engineering											
Pakistan Engineering Company Limited		8,400	-	-	8,400	-	-	-	-	-	-
							-	-			
Fixed Line Telecommunication											
Pakistan Telecommunication Company Limited		200,050	369,259	-	569,309	-	-	-	-	-	-
Wateen Telecom Limited (Related party)		1,000,000	-	-	668,482	331,518	3,315	690	0.16%	0.24%	0.05%
							3,315	690			
Chemicals											
Engro Corporation Limited		125,043	604,379	7,000	616,000	120,422	21,482	19,659	4.49%	6.75%	0.03%
Fauji Fertilizer Bin Qasim Limited		-	720,000	-	630,000	90,000	3,816	3,794	0.87%	1.30%	0.01%
Fauji Fertilizer Company Limited		125,000	342,617	31,250	397,500	101,367	12,451	15,241	3.48%	5.24%	0.01%
Fatima Fertilzer Company Limited		-	20,000	-	-	20,000	335	333	0.08%	0.11%	0.00%
ICI Pakistan Limited		25,000	323,200	-	271,200	77,000	11,736	11,692	2.67%	4.02%	0.06%
Lotte Pakistan		100,000	250,000	-	350,000	-	-	-	-	-	-
							49,820	50,718			

Name of the investee company	Note	As at 01 Jul 2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 30 June 2011	Carrying value as at 30 June 2011	Market value as at 30 June 2011	Market value as a percentage of: net assets	Market value as a percentage of: total investments	Percentage of paid up capital of the investee company
Personal Goods											
Nishat (Chunian) Limited		-	625,000	-	600,000	25,000	717	557	0.13%	0.19%	0.02%
Nishat Mills Limited		-	306,163	-	172,163	134,000	7,903	6,746	1.54%	2.32%	0.04%
Amtex Limited		100,000	-	-	100,000	-	-	-	-	-	-
							8,620	7,303			
General Industries											
Ecopack Limited		472,500	-	-	472,500	-	-	-	-	-	-
Packages Limited		-	105,000	-	105,000	-	-	-	-	-	-
Thal Limited		-	101,000	9,000	45,000	65,000	7,654	6,568	1.50%	2.26%	0.11%
							7,654	6,568			
Grand total							**238,185**	**225,943**			

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

5.1.2 Investments include 250,000 shares of Hub Power Company Limited and 15,000 shares of Pakistan Oilfields Limited, which have been deposited with National Clearing Company of Pakistan Limited as collateral against exposure margin and mark to market losses for settlement of the Fund's trades as allowed in Circular no.11 dated 23 October 2007 issued by Securities and Exchange Commission of Pakistan.

5.1.3 Net Unrealized appreciation / (diminution) in the value of investments classified as 'at fair value through profit or loss'

	30 June 2011	30 June 2010
	(Rupees in '000)	
Market value of investments	**225,943**	224,622
Less: Carrying value of investments	**(238,185)**	(226,425)
	(12,242)	(1,803)
Net unrealised diminution/(appreciation) in the value of investment at the beginning of the year	**1,803**	(25,405)
Realised on disposal during the year	**7,619**	16,833
	9,422	(8,572)
Net unrealised appreciation/(diminution) in the value of investment for the year	**(2,820)**	(10,375)

5.2 Quoted equity securities - Available for sale

Name of the investee company	Note	As at 01 Jul 2010	Purchases during the period	Bonus/ Rights Issue	Sales during the period	As at 30 June 2011	Carrying value as at 30 June 2011	Market value as at 30 June 2011	Market value as a percentage of: net assets	Market value as a percentage of: total investments	Percentage of paid up capital of the investee company
		-------------------- Number of shares				--------------------	(Rupees in '000)				
Banks											
Summit Bank Limited (formerly My Bank Limited)		13,750	-	-	-	13,750	160	38	0.01%	0.01%	0.0026%
							160	38			
Oil & Gas											
Oil & Gas Development Company Limited		85,600	-	-	82,318	3,282	164	502	0.11%	0.17%	0.0001%
Pakistan Oilfields Limited		420	-	-	-	420	43	151	0.03%	0.05%	0.0002%
							207	653			
Grand Total							**367**	**691**			
Provision for impairment for the year ended june 30 2011								**122**			
Provision for impairment as at June 30 2011								**122**			

5.3 Investment in Term Finance Certificates available for sale

Name of the investee company	Notes	Maturity	Profit / Mark-up Percentage	As at 01 Jul 2010	Purchases during the period	Sales during the period	Redemption during the period	As at 30 June 2011	Carrying value as at 30 June 2011	Market value as at 30 June 2011	Market value as a percentage of: net assets	Market value as a percentage of: total investments	Percentage of paid up capital of the investee company
				------------------- Number of shares -------------------					(Rupees in '000)				
Unlisted Term Finance Certificates													
Agritech Limited (I issue) (formerly Pak American Fertilizer Limited)	*5.3.1*	Nov 2014	6M KIBOR+ 1.75%	5,000	-	-	-	5,000	24,541	9,992	2.17%	3.43%	1.67%
Agritec limited (II issue) (formerly Pak American Fertilizer Limited)	*5.3.2*	Jan 2015	6M KIBOR+ 1.75%	3,000	-	-	-	3,000	14,988	7,494	1.63%	2.57%	0.22%
									39,529	17,486			
Provision for impairment for the year ended June 30 2011										**14,988**			
Provision for impairment as at June 30 2011										**22,482**			

5.3.1 This represents investments classified as 'non performing' by MUFAP due to default in its payment of principal and mark-up due on 29 May 2010. Accordingly, in compliance with the requirement of SECP Circular No. 1 dated January 26, 2010, and Board approved Provision Policy , provision to the extent of 30% amounting to Rs. 7.494 million was made in the financial statement of June 30 2010. During the year fund has charged further provision amounting to Rs. 7.494 million against these TFC's in compliance with aforementioned circular and therefore as of June 30 2011 the amount of provision in respect thereof was increased to Rs. 14.988 million which represents 60% of the carrying value. Total default on account of principal and mark up since the security is classified as non performing is Rs. 7.494 million and Rs. 5.732 million respectively. However Fund has suspended accrual of mark up in accordance with guidelines of aforementioned circular.

5.3.2 This represents investments classified as 'non performing' by MUFAP due to default in its payment of principal and mark-up due on 14 July 2010. Accordingly, in compliance with the requirement of SECP Circular No. 1 dated January 26, 2010, and Board approved Provision Policy , provision to the extent of 50% amounting to Rs. 7.494 million was made in these financial statement. Total default on account of principal and mark up since the security is classified as non performing is Rs. 2.996 million and Rs. 2.135 million respectively. However Fund has suspended accrual of mark up in accordance with guidelines of aforementioned circular.

5.3 Investment in Sukuk Certificates available for sale

Name of the investee company	Notes	Maturity	Profit / Mark-up Percentage	As at 01 Jul 2010	Purchases during the period	Sales during the period	Redemption during the period	As at 30 June 2011	Carrying value as at 30 June 2011	Market value as at 30 June 2011	Market value as a percentage of: net assets	Market value as a percentage of: total investments	Percentage of paid up capital of the investee company
				------------------- Number of shares -------------------					(Rupees in '000)				
Maple Leaf Cement Factory Limited	*5.4.1*	Dec 2018	3 M KIBOR+100bp	15,000	-	-	-	15,000	73,345	46,976	10.74%	16.14%	0.94%
Maple Leaf Cement Factory Limited II	*5.4.2*	March 2012	3 M KIBOR+100bp	-	563.00	-	-	563.00	2,815	-	-	-	0.19%
									76,160	46,976			
Provision for impairment for the year ended June 30 2011										**10,495**			
Provision for impairment as at June 30 2011										**30,755**			

5.4.1 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. These sukuks were classified as non performing by MUFAP on December,18 2009 and impairment of Rs.20.26 million was booked through income statement.

Subsequently, these investments were reclassified from nonperforming to performing assets by MUFAP on September 14 2010 based on restructuring of these debt securities and receipt of two consecutive instalments from the issuer. The fund booked the mark up of Rs.6.881million for the period from October 2010 to June 30,2011 in these financial statements in line with SECP directives vide its letter No. NBFC/RS/JD/VS/AGMIL/2010, dated November 11, 2010. As of the balance sheet date these investments were valued at rate quoted by MUFAP of Rs.62.7145 per face value of Rs100/= and further impairment on these investments has been booked in to income statement amounting to Rs. 7.68 million.

The significant terms of restructuring agreement is provided as under:

- Payment of principal amount shall be made on a quarterly basis in arrears commencing from 3 September 2012 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 installments. 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 installments.
  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.

  As at June 30 2011, the borrower remained compliant with afore mentioned terms of restructuting.

5.4.2 This represents additional sukkuks of MLCF received by the fund through restructuring agreement reached between lenders and MLCF. Under such agreement outstanding mark up due on December 03 2009 amounting to Rs. 5.81 million was settled partially in cash and partially in the form sukuks certificates valuing Rs. 2.815 million.These investments have been recorded as 100% impaired since these have been recieved in lieu of suspended overdue mark up to be recognised to income upon realisation.

5.5 Details of Non-Complaint Investment with the investment criteria as specified by the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated 6 March 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the Fund as 'Asset Allocation Scheme' and the same has been approved by the SECP.

Clause 55(5) of the non-banking finance companies and notified entities regulation 2008 (NBFC Regulations 2008) requires that not more than 10% of Net Assets shall be invested in a single entity. Investment parameters contained in clause 2.2.1(d)(iv) of offering document of the fund requires that the rating of secured debt securities of private sector entities shall not be lower than 'BBB+'.

Type of investment	Name of Non-compliant investment	Value before provision before provision	Provision Balance as on 01 July 2010	Provision During the period	Provision held, if any	Value of investment after provision	Fair value as a percentage of net assets	Fair value as a percentage of gross assets	Credit rating
Sukuk Certificate	Maple Leaf Cement Factory Ltd.-I	74,916	(20,260)	(7,680)	(27,940)	46,976	10.74%	10.51%	BB+
Sukuk Certificate	Maple Leaf Cement Factory Ltd - II	2,815	-	(2,815)	(2,815)	-	0.00%	0.00%	BB+
TFC (1st issue)	Agritech limited	24,980	(7,494)	(7,494)	(14,988)	9,992	2.28%	2.23%	D
TFC (2nd issue)	Agritech limited	14,988	-	(7,494)	(7,494)	7,494	1.71%	1.68%	D

SECP has not acceded Company's request for relaxation of the requirement of regulation 55(5) of NBFC and directed it to regularize the excess exposure of 0.74% (Rs.3.236 Million) in Maple Leaf Cement Factory Limited.

		Note	30 June 2011	30 June 2010
			(Rupees in '000)	
5.6	**Net unrealized appreciation / (diminution) in the value of investments classified as 'available for sale'**			
	Market value of investments		**65,153**	96,337
	Less: Carrying value of investments		**(116,055)**	(116,849)
			(50,903)	(20,512)
	Impairment charged during the year		**25,605**	7,494
			(25,298)	(13,018)
	Net unrealized diminution in the value of investments at the beginning of the year / period		**20,512**	16,191
	Realized on disposals during the year / period		**10**	(6)
	Net unrealized (diminution)/\appreciation in the value of investments at the end of the year / period		**(4,776)**	3,167
5.7	**Particulars of impairment in the value of investments classified as 'available for sale'**			
	Opening Balance		**33,775**	26,281
	Charged for the year / period		**25,605**	7,494
	Closing balance		**59,380**	33,775

		Note	30 June 2011	30 June 2010
			(Rupees in '000)	
6.	**DIVIDEND AND PROFIT RECEIVABLE**			
	Dividend receivable		**752**	664
	Profit receivable on deposits in banks		**1,396**	1,365
	Profit receivable on TFC's		**6,882**	971
			9,031	3,000
7.	**DEPOSITS AND OTHER RECEIVABLES**			
	Deposit with Central Depository Company of Pakistan Limited		**100**	200
	Deposit with National Clearing Company of Pakistan Limited		**3,500**	3,500
			3,600	3,700
8.	**PRELIMINARY EXPENSES AND FLOATATION COSTS**			
	Balance at the beginning of the year	*8.1*	**165**	413
	Amortization for the year		**(165)**	(248)
	Balance at the end of the year		**-**	165

8.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortized over a period of five years commencing from 28 October 2005 as per Trust Deed of the Fund.

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

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
Management fee	*9.1*	**719**	968
Sales load payable		**1**	10
		720	978

9.1 Under the provisions of the NBFC Regulations 2008, the Management Company of the Fund is entitled to remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. On 28th October 2010 the Fund completed five years in operations therefore the Management Company charged remuneration at the rate of 2.5% uptill 28th October, 2010 and thereafter at the rate of 2% p.a. for the remaining of financial year.

10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	30 June 2011	30 June 2010
		(Rupees in '000)	
Trustee fee	*10.1*	**71**	77
CDS charges		**1**	1
		72	78

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

Average Net Asset Value	Tariff per annum
Up to Rs. 1,000 million	Rs 0.7 million or 0.2 % p.a of NAV whichever is higher.
On amount exceeding Rs. 1,000 million	Rs. 2 million plus 0.1% p.a of NAV exceeding Rs. 1,000 million

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

Under the provisions of NBFC Regulations 2008, an open end collective investment 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)	
Auditors' remuneration		**400**	350
Withholding tax payable		**61**	78
Brokerage		**51**	40
Mark-up payable to Core Investor		**277**	277
Worker welfare fund	*15*	**5,550**	4,789
Other payable		**254**	241
		6,593	5,775

13. CONTINGENCIES & COMMITMENTS

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

14. AUDITORS' REMUNERATION

Audit fee	**250**	250
Other certifications and services	**225**	70
Out of pocket expenses	**45**	61
	520	381

15. CONTRIBUTION TO WORKER WELFARE FUND

WWF is charged in pursuance of Finance Act 2008-2009 propagated by the Government of Pakistan. However a petition has been filed with the Honorable 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.

The matter is under review and the management company has adopted the policy to apply WWF @ 2% of net income on prudent basis

16. TYPES OF UNITS IN ISSUE

16.1 The fund may issue following types of units:

Class	*Note*	**Description**
A (Restricted /Core units)	*16.1.1*	Units that shall be charged with no sales load.
A	*16.1.2*	Units that shall be charged with no sales load.
B	*16.1.3*	Units that shall be issued with sales load.

16.1.1 These units were issued to Core Investors. These units cannot be redeemed for a period of two years from the date of closure of Initial Public Offer.

16.1.2 These units were offered and issued during the private placement and Initial Period of Offer.

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

17. INTERIM DISTRIBUTION

The fund has made following distribution during the period.

Date	**Per Unit**	**Units**	**Bonus Amount**	**Cash Distribution**	**Total**
			-----------Rupees in '000-----------		
27-Dec-10	2.00	213,244	11,212	5,779	16,991
			11,212	**5,779**	**16,991**

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.

19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Details of transactions with the connected persons for the year ended 30 June 2011 and balances with them at period end are as follows:

19.1 Transactions and balances with connected persons / related parties

	30 June 2011 (Audited)	30 June 2010 (Audited)	**30 June 2011 (Audited)**	30 June 2010 (Audited)
	(Units in '000)		**(Rupees in '000)**	
Units issued to:				
Alfalah GHP Investment Management Company Limited	**-**	139	**-**	9,219
Bonus units distributed to:				
Bank Alfalah Ltd	**-**	476	**-**	25,680
Bank Alfalah Ltd - Employees' Provident Fund	**24**	126	**1,276**	6,787
Bank Alfalah Ltd - Employees' Gratuity Fund	**25**	131	**1,325**	7,052
MAB Investment Incorporated	**60**	263	**3,187**	14,161
GHP Arbitrium AG	**32**	189	**1,700**	10,221
Alfalah GHP Investment Management Ltd	**-**	28	**-**	1,483
Units redeemed by:				
GHP Arbitrium AG	**-**	355	**-**	16,179
Bank Alfalah Limited - Employees' Provident Fund	**-**	126	**-**	6,787
Bank Alfalah Limited - Employees' Gratuity Fund	**-**	131	**-**	7,052
Alfalah GHP Investment Management Ltd	**-**	167	**-**	8,962

	(Rupees in '000)	
Dividend paid to:		
Bank Alfalah Limited	**5,779**	-

	30 June 2011	30 June 2010
	(Units in '000)	
Units held by:		
Bank Alfalah Limited	**2,890**	2,890
MAB Investment Incorporated	**1,654**	1,594
GHP Arbitrium AG	**882**	850
Bank Alfalah Limited - Employees' Provident Fund	**662**	638
Bank Alfalah Limited - Employees' Gratuity Fund	**688**	663

		30 June 2011	30 June 2010
		(Rupees in '000)	
19.2	**Alfalah GHP Investment Management Limited - Management Company**		
	Balance at the beginning of the year / period	**978**	1,156
	Remuneration for the year / period	**9,798**	6,420
	Sales load for the year / period	**-**	86
		10,776	7,662
	Amount paid during the year / period	**(10,056)**	(6,684)
	Balance at end of the year / period	**720**	978
19.3	**Central Depository Company of Pakistan Limited**		
	Balance at the beginning of the year / period	**78**	95
	Remuneration for the year / period	**904**	514
	Central Depository Services charges for the year / period	**40**	20
		1,022	628
	Amount paid during the year / period	**(950)**	(550)
	Balance at end of the year / period	**72**	78
	Deposit with Central Depository Company of Pakistan Limited	**100**	200
19.4	**Bank Alfalah Limited**		
	Profit on deposit accounts	**13,047**	4,172
	Balance in deposit accounts	**143,309**	139,078
	Bank charges	**13**	6
	Capital gain on sale of shares	**38**	-
	Mark-up receivable on bank deposits	**1,396**	1,365

		June 30 2011 (No. of shares)	June 30 2011 (Rupees in '000)	June 30 2010 (No. of shares)	June 30 2010 (Rupees in '000)
19.5	**Wateen Telecom Limited**				
	Investment held by fund	**331,518**	**690**	1,000,000	6,230
	Capital loss on sale of securities	**668,482**	**(4,312)**	-	-

20 FINANCIAL RISK MANAGEMENT FRAMEWORK

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

20.1 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 Asset Allocation Scheme and as per Fund Investment objective the Fund will invest in a broad range of asset classes so as to diversify Fund risk and to optimize potential returns. 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, other price risk and Currency risk.

20.1.1 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 (TFCs / Sukuk certificates). Cash and cash equivalents are not subject to fair value interest rate risks.

The Fund manages interest rate risk by keeping a major portion of funds into short terms investments in the rising interest rate environment. Interest rate risk in debt securities are mitigated by investing mostly in instrument carrying floating rate coupons which are linked to market interest rates, and are re-priced on quarterly / semi-annual basis. As at 30 June 2011, the investment in TFC's and Sukuk certificates exposed to interest rate risks is detailed in Note 5.3 and 5.4.

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
On-balance sheet financial instruments		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)				--------------------------
Financial assets						
Bank balances	5 to 10.5	143,349	-	-	-	**143,349**
Investments	3 - 6 month KIBOR plus 1 to 1.75	-	-	64,462	226,634	**291,096**
Dividend and profit receivable		-	-	-	9,031	**9,031**
Advances, deposits, prepayments and other receivables		-	-	-	3,600	**3,600**
		143,349	-	64,462	239,265	447,076
Financial liabilities						
Payable against purchase of investments		-	-	-	1,865	**1,865**
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	720	**720**
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	72	**72**
Payable to Securities and Exchange Commission of Pakistan - Annual fee		-	-	-	429	**429**
Accrued expenses and other liabilities		-	-	-	6,532	**6,532**
		-	-	-	9,618	**9,618**
On-balance sheet gap		143,349	-	64,462	229,647	**437,458**

	Effective rate of mark-up/ return %	30 June 2010 -------------Exposed to Intrest rate risks ------------ Upto three months	More than three months and upto one year	More than one year	Not exposed to Yield/ Interest rate risk	Total
		------------------------- (Rupees in '000)				--------------------------
On-balance sheet financial instruments						
Financial assets						
Bank balances	2.5 to10.5	139,118	-	-	-	139,118
Investments	6 month KIBOR plus 1.65 to 1.75	14,114	69,964	-	236,881	320,959
Dividend and profit receivable		-	-	-	3,000	3,000
Advances, deposits, prepayments and other receivables		-	-	-	3,700	3,700
		153,232	69,964	-	243,581	466,777
Financial liabilities						
Payable against purchase of investments		-	-	-	-	-
Payable to Alfalah GHP Investment Management Limited - Management Company		-	-	-	978	978
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	78	- 78
Payable to Securities and Exchange Commission of Pakistan - Annual fee		-	-	-	244	- 244
Accrued expenses and other liabilities		-	-	-	5,697	5,697
		-	-	-	6,997	6,997
On-balance sheet gap		153,232	69,964	-	236,584	459,780

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 date.

a) *Sensitivity analysis for variable rate instruments*

Presently, the Fund holds KIBOR based interest bearing TFC's & Sukuk certificates exposing the Fund to cash flow interest rate risk. Fund's exposure in TFC's & sukuk certificates amount to Rs. 64.46 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 0.75 million (2010: 0.15 million).

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.

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, change in interest rates are expected to change over time. Accordingly, the sensitivity analysis prepared as at 30 June 2011 is not necessarily indicative of the fact on the Fund's net assets of future movement in interest rates.

20.1.2 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 transaction are carried out in Pak Rupees.

20.1.3 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	**Market Value As at 30 June 2011**		Market Value As at 30 June 2010	
	Amount	**%**	Amount	%
Banks	**44,641**	**19.70**	14,219	6.00
Electricity	**30,000**	**13.24**	70,571	29.79
Oil and Gas	**86,714**	**38.26**	99,138	41.85
Industrial Engineering	**-**	**-**	2,520	1.06
Fixed Line Telecommunication	**690**	**0.30**	9,791	4.13
Chemicals	**50,718**	**22.38**	38,359	16.19
Personal Goods	**7,303**	**3.22**	1,154	0.49
General Industries	**6,568**	**2.90**	1,129	0.48
Total	**226,634**	**100**	236,881	100

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 which is equal to +1 due to well diversified equity portfolio, 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 2011, the fair value of equity securities exposed to price risk was disclosed in notes 5.1 and 5.2.

Effect due to increase / decrease in KSE 100 index	**30 June 2011**	30 June 2010
	(Rupees in '000)	
Investment and net assets	**29,110**	23,285
Income statement	**29,110**	23,285

All other investments of the Fund are in corporate debt securities (TFC / Sukuk) 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.

20.2 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 risk, 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.

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

The maximum exposure to credit risk is the carrying amount of the financial assets. None of these assets are impaired except for assets as mentioned in note 5.3 and 5.4. At reporting date, the fund is exposed to following credit risk.

	30 June 2011	30 June 2010
	---- Rupees in '000 ----	
Financial assets		
Bank balances	**143,349**	139,118
Investment in Term Finance Certificates	**17,486**	31,600
Investment in Sukuk Certificates	**46,976**	52,478
Dividend and profit receivables	**9,031**	3,000
Advances, deposits, and other receivables	**3,600**	3,700
	220,442	229,896
Secured	**64,462**	84,078
Unsecured	**155,980**	145,818
	220,442	229,896
Not past due	**202,956**	212,410
past due	**17,486**	17,486
	220,442	229,896

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	**46,976**	52,478
Fertilizers	**17,486**	31,600
	64,462	84,078

The analysis below summarizes the credit quality of the Fund's investment in Bank balance, Term Finance Certificates and Sukuk certificates as at 30 June 2011.

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

	30 June 2011	30 June 2010
Bank Balances by rating category		
AA	**99.22%**	99.99%
A2	**0.78%**	0.01%
Debt securities by rating category		
AA, AA-, AA+	**0.00%**	15.66%
BB, BB+, BB-	**0.00%**	58.21%
Non Rated / Non-Performing	**100.00%**	26.13%

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

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

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

	….………As at 30 June 2011 ………….			
	Total	Upto three months	Over three months and upto one year	Over one year
	------------------ (Rupees in '000) ------------------			
Liabilities				
Payable against Purchase of Investments	1,865	1,865		
Payable to Alfalah GHP Investment Management Limited -Management Company	720	720	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	72	72	-	-
Payable to Securities and Exchange Commission of Pakistan -Annual fee	429	429	-	-
Accrued expenses and other liabilities	6,593	6,593	-	-
	9,679	9,679	-	-

	….………As at 30 June 2010 ………….			
	Total	Upto three months	Over three months and upto one year	Over one year
	------------------ (Rupees in '000) ------------------			
Liabilities				
Payable to Alfalah GHP Investment Management Limited -Management Company	978	978	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	78	78	-	-
Payable to Securities and Exchange Commission of Pakistan -Annual fee	244	244	-	-
Accrued expenses and other liabilities	5,775	5,775	-	-
	7,075	7,075	-	-

20.4 Operational risk

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

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

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

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

20.5 Capital risk management

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

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

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

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

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

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

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

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

21. 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 categorized:

	Total	Level 1	Level 2	Level 3
	------------------- (Rupees in '000)			-------------------
At fair value through income statement	225,943	225,943	-	-
Available-for-sale	65,152	691	64,462	-
	291,096	**226,634**	**64,462**	**-**

22. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23 . RECLASSIFICATION

Previous year figures has been rearranged or/ reclassified, where necesery, to ensure compliance with the presentation requirement of V shedule of NBFC Rules and Regulations 2008. Reclassification made in the financial statement are as follows :

Reclassification from component	Reclassification to component	(Rupees in '000)
Other income	Income from sukkuks	2,963
Other income	Income from TFC's	1,887

24. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in its meeting held on 07 July 2011 has proposed a final distribution of Rs. 2.25 per unit for the year ended 30 June 2011 (30 June 2010: Nil).

25. DATE OF AUTHORIZATION FOR ISSUE

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive **Director**

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

PERFORMANCE TABLE	Year ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2009
		(Rupees in '000)	
Net assets	**437,397**	459,867	526,120
Net asset value	**52.87**	50.75	61.15
Year end offer price	**55.52**	53.29	62.68
Highest offer price	**57.66**	66.83	65.59
lowest offer price	**52.27**	53.09	42.31
Year end repurchase price	**52.87**	50.75	61.15
Lowest repurchase price	**49.78**	50.75	41.28
Interim distribution per Unit (gross / net)	**2.00**	Nil	2.07
Final distribution	**2.25**	Nil	10.64
Total distribution	**4.25**	Nil	12.71
		(Announcement date of distribution)	
Interim	**30-Dec-10**	NIL	29-Jun-09
Final	**7-Jul-11**	NIL	12-Mar-10
		(Percentage)	
Total return of the fund	**8.14%**	-0.63%	53.45%
Annual dividend distribution	**8.37% Cash (Income Units) & Bonus (Growth Units)**	26% Bonus units	5 % Cash
Capital growth	**-0.23%**	-26.63%	48.45%
Average annual return			
Half year	**N/A**	(0.01)	-
First year	**8.14%**	35.21%	53.45%
Second Year	**13.58%**	12.37%	15.77%
Third year	**8.65%**	14.91%	17.60%
Return Since inception	**0.00%**	0.00%	0.00%
Weighted average portfolio duration	**N/A**	N/A	N/A
Launch date		28 October 2005	
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.

RATING

Credit rating of the management company is AM3

Credit rating of the Fund is
-short term 4 star
-Long term 4 star

PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

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

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

Alfalah GHP Islamic Fund
Alfalah GHP Alpha Fund

TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	June 2011
DJM Securities (Private) Limited	**8.63%**
JS Global Capital Ltd.	**7.31%**
Invisor Securities (Pvt) Ltd.	**6.40%**
Taurus Securities Limited	**5.04%**
Nael Capital (Pvt.) Ltd	**4.90%**
Next Capital Limited	**4.32%**
AKD Securities Limited	**4.31%**
Elixir Securities Pakistan (Pvt) Ltd.	**4.28%**
Sherman Securities (Pvt.) Ltd.	**3.95%**
Top line Securities (Pvt) Ltd.	**3.78%**

	June 2010
Nael Capital (Pvt.) Ltd	8.90%
Foundation Securities (Private) Ltd.	8.78%
AKD Securities Limited	6.15%
Invest Capital Investment Bank Ltd.	6.12%
Motiwala Securities (Pvt) Ltd	6.05%
JS Global Capital Ltd.	4.87%
Elixir Securities Pakistan (Pvt) Ltd.	4.25%
IGI Finex Securities Ltd.	4.14%
Invisor Securities (Pvt) Ltd.	3.49%
Fortune Securities Limited	3.46%

PATTERN OF UNIT HOLDING

Category	30 June 2011			
	Number of Unit Holders	Units	(Rupees in '000)	%
Individual	**263**	**2,879,162**	**152,231**	**34.80%**
Associated companies	**2**	**3,772,071**	**199,442**	**45.60%**
Bank / financial institutions	**1**	**169,125**	**8,942**	**2.04%**
Retirement Funds	**4**	**1,436,308**	**75,942**	**17.36%**
Others	**3**	**15,858**	**838**	**0.19%**
Total	**273**	**8,272,524**	**437,396**	**100%**

Category	30 June 2010			
	Number of Unit Holders	Units	(Rupees in '000)	%
Individual	282	3,032,459	153,895	33.47%
Associated companies	2	3,739,739	189,789	41.27%
Bank / financial institutions	1	162,928	8,268	1.80%
Retirement Funds	13	2,111,139	107,139	23.30%
Others	3	15,277	775	0.17%
Total	301	9,061,542	459,866	100%

SIZE OF UNIT HOLDING

Size of Unit Holding	Number of Unit Holders	Total Units	Invested Amount	%
1 - 1000	212	40,547	2,144	0.5%
1001 - 5000	38	81,932	4,332	1.0%
5001 - 10000	7	47,541	2,514	0.6%
10001 - 50000	6	136,718	7,229	1.7%
50001 - 100000	1	57,383	3,034	0.7%
100001 - 500000	2	620,267	32,796	7.5%
500001 - 1000000	4	2,744,227	145,097	33.2%
1000001 - 2000000	1	1,654,169	87,461	20.0%
2000001 - 3000000	1	2,889,739	152,790	34.9%
Total	272	8,272,524	437,396	100.0%

ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

	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.