

ALFALAH

Investments

ANNUAL REPORT

JUNE 30,
2020

TABLE OF CONTENTS

Mission and Vision Statement	05
Report of the Directors of the Management Company	06-20
Alfaluh GHP Cash Fund	
Fund's Information	22
Report of the Fund Manager	23
Trustee Report to the Unit Holder	25
Independent Auditors' Report to the Unit Holders	26
Statement of Assets and Liabilities	28
Income Statement	29
Statement of Comprehensive Income	30
Statement of Movement in Unit Holders' Funds	31
Statement of Cash Flows	32
Notes to the Financial Statements	33
Alfaluh GHP Money Market Fund	
Fund's Information	56
Report of the Fund Manager	57
Trustee Report to the Unit Holder	59
Independent Auditors' Report to the Unit Holders	60
Statement of Assets and Liabilities	62
Income Statement	63
Statement of Comprehensive Income	64
Statement of Movement in Unit Holders' Funds	65
Statement of Cash Flows	66
Notes to the Financial Statements	67
Alfaluh GHP Sovereign Fund	
Fund's Information	92
Report of the Fund Manager	93
Trustee Report to the Unit Holder	95
Independent Auditors' Report to the Unit Holders	96
Statement of Assets and Liabilities	98
Income Statement	99
Statement of Comprehensive Income	100
Statement of Movement in Unit Holders' Funds	101
Statement of Cash Flows	102
Notes to the Financial Statements	103
Alfaluh GHP Income Fund	
Fund's Information	128
Report of the Fund Manager	129
Trustee Report to the Unit Holder	131
Independent Auditors' Report to the Unit Holders	132
Statement of Assets and Liabilities	134
Income Statement	135
Statement of Comprehensive Income	136
Statement of Movement in Unit Holders' Funds	137
Statement of Cash Flows	138
Notes to the Financial Statements	139

Alfalah GHP Income Multiplier Fund	
Fund's Information	164
Report of the Fund Manager	165
Trustee Report to the Unit Holder	167
Independent Auditors' Report to the Unit Holders	168
Statement of Assets and Liabilities	170
Income Statement	171
Statement of Comprehensive Income	172
Statement of Movement in Unit Holders' Funds	173
Statement of Cash Flows	174
Notes to the Financial Statements	175

Alfalah GHP Islamic Income Fund	
Fund's Information	200
Report of the Fund Manager	201
Trustee Report to the Unit Holder	203
Report of the Shariah Advisory Board	204
Statement of Compliance with Shariah Principles	205
Independent Auditors' Report to the Unit Holders	206
Statement of Assets and Liabilities	208
Income Statement	209
Statement of Comprehensive Income	210
Statement of Movement in Unit Holders' Funds	211
Statement of Cash Flows	212
Notes to the Financial Statements	213

Alfalah GHP Alpha Fund	
Fund's Information	238
Report of the Fund Manager	239
Trustee Report to the Unit Holder	241
Independent Auditors' Report to the Unit Holders	242
Statement of Assets and Liabilities	244
Income Statement	245
Statement of Comprehensive Income	246
Statement of Movement in Unit Holders' Funds	247
Statement of Cash Flows	248
Notes to the Financial Statements	249

Alfalah GHP Stock Fund	
Fund's Information	275
Report of the Fund Manager	276
Trustee Report to the Unit Holder	278
Independent Auditors' Report to the Unit Holders	279
Statement of Assets and Liabilities	281
Income Statement	282
Statement of Comprehensive Income	283
Statement of Movement in Unit Holders' Funds	284
Statement of Cash Flows	285
Notes to the Financial Statements	286

Alfalah GHP Islamic Stock Fund	
Fund's Information	310
Report of the Fund Manager	311
Trustee Report to the Unit Holder	312
Report of the Shariah Advisory Board	314
Statement of Compliance with Shariah Principles	315
Independent Auditors' Report to the Unit Holders	316
Statement of Assets and Liabilities	317
Income Statement	319
Statement of Comprehensive Income	320
Statement of Movement in Unit Holders' Funds	321
Statement of Cash Flows	322
Notes to the Financial Statements	323
	324

Alfalah GHP Value Fund	
Fund's Information	348
Report of the Fund Manager	349
Trustee Report to the Unit Holder	351
Independent Auditors' Report to the Unit Holders	352
Statement of Assets and Liabilities	354
Income Statement	355
Statement of Comprehensive Income	356
Statement of Movement in Unit Holders' Funds	357
Statement of Cash Flows	358
Notes to the Financial Statements	359

Alfalah GHP Prosperity Plannig Fund	
Fund's Information	388
Report of the Fund Manager	389
Trustee Report to the Unit Holder	392
Independent Auditors' Report to the Unit Holders	393
Statement of Assets and Liabilities	395
Income Statement	396
Statement of Comprehensive Income	397
Statement of Movement in Unit Holders' Funds	398
Statement of Cash Flows	399
Notes to the Financial Statements	400

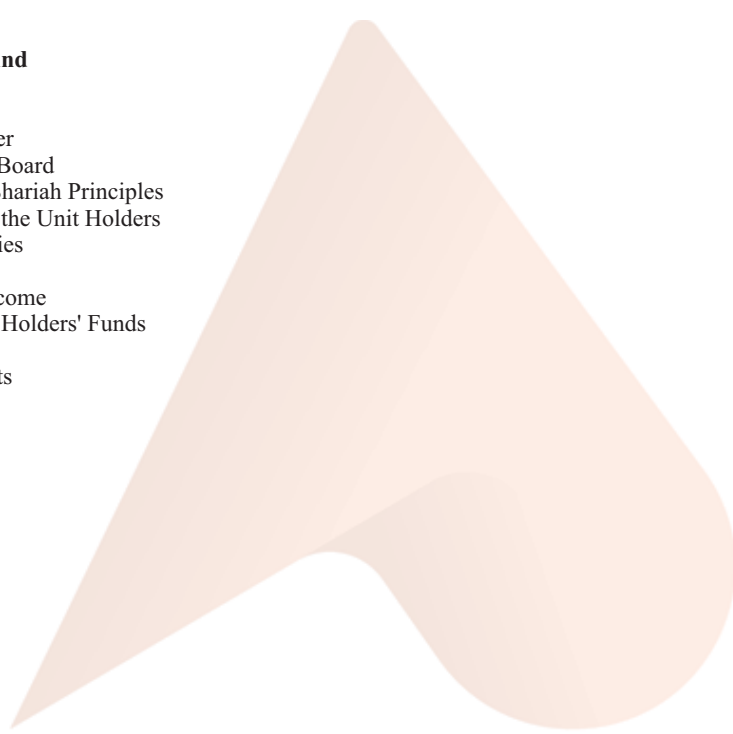
Alfalah GHP Islamic Prosperity Plannig Fund	
Fund's Information	424
Report of the Fund Manager	425
Trustee Report to the Unit Holder	430
Report of the Shariah Advisory Board	432
Independent Assurance Provider's Report on Shariah Compliance to the Unit Holders	433
Statement of Compliance with Shariah Principles	434
Independent Auditors' Report to the Unit Holders	436
Statement of Assets and Liabilities	437
Income Statement	438
Statement of Comprehensive Income	436
Statement of Movement in Unit Holders' Funds	440
Statement of Cash Flows	442
Notes to the Financial Statements	448

Alfalah GHP Islamic Dedicated Equity Fund

Fund's Information	477
Report of the Fund Manager	478
Trustee Report to the Unit Holder	479
Report of the Shariah Advisory Board	480
Statement of Compliance with Shariah Principles	482
Independent Auditors' Report to the Unit Holders	483
Statement of Assets and Liabilities	485
Income Statement	486
Statement of Comprehensive Income	487
Statement of Movement in Unit Holders' Funds	488
Statement of Cash Flows	489
Notes to the Financial Statements	490

Alfalah GHP Islamic Value Fund

Fund's Information	514
Report of the Fund Manager	515
Trustee Report to the Unit Holder	517
Report of the Shariah Advisory Board	518
Statement of Compliance with Shariah Principles	519
Independent Auditors' Report to the Unit Holders	520
Statement of Assets and Liabilities	522
Income Statement	523
Statement of Comprehensive Income	524
Statement of Movement in Unit Holders' Funds	525
Statement of Cash Flows	526
Notes to the Financial Statements	257



MISSION STATEMENT

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

VISION STATEMENT

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

DIRECTORS' REPORT TO THE UNIT HOLDERS FOR THE YEAR ENDED JUNE 30, 2020

On behalf of the Board of Directors, I am pleased to present the Financial Statements of Alfalah GHP Income Multiplier Fund (AGIMF), Alfalah GHP Cash Fund (AGCF), Alfalah GHP Islamic Stock Fund (AGISTF), Alfalah GHP Alpha Fund (AGAF), Alfalah GHP Value Fund (AGVF), Alfalah GHP Sovereign Fund (AGSOF), Alfalah GHP Income Fund (AGIF), Alfalah GHP Stock Fund (AGSTF), Alfalah GHP Money Market Fund (AGMMF), Alfalah GHP Islamic Income Fund (AGIIF), , Alfalah GHP Prosperity Planning Fund (AGPPF), Alfalah GHP Islamic Prosperity Planning Fund (AGIPPF), Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF), Alfalah GHP Islamic Value Fund(AGIVF), for the year ended June 30, 2020.

Economy Overview

Pakistan suffered from the adverse effects of the COVID-19 pandemic in FY20, denting the fragile path towards an economic recovery. A strict lockdown policy was imposed by end of March which hampered economic activities across the country. Subsequently, blanket restrictions began to be lifted in May, with the government opting for sealing selected hotspots only whereas economic activities continued in rest of the country with strict SOP's in place. This policy has been quite successful, since active cases have depicted a sharp decrease to nearly 25,000 from 105,000 in late June. The Government is expecting a contraction of 0.4% in GDP for the current fiscal year as disclosed in the latest Pakistan Economic Survey. Going forward, the government has set a GDP Growth target of 2.1% in FY21 whereas the IMF is forecasting growth to remain restricted to 1% due to the continuing effects of the pandemic. Meanwhile, large scale manufacturing remained depressed in 11MFY20 taking relevant index down by 10.3% YoY. The shrinkage in demand was witnessed across most sectors with automobiles, pharmaceuticals, petroleum, iron and steel products leading the decline. Foreign exchange reserves increased by ~US\$ 3,489mn during the year to close at US\$ 18bn as of June 26, 2020, mainly due to multilateral inflows. PKR depreciated by 5% against USD during the year, however, recent monetary assistance from multilateral lending institutions should provide support to the Rupee going forward.

Current Account Deficit stood at US\$ 3bn for FY20, a massive decrease of 77% compared to same period last year. The external account situation had improved due to austerity measures and significant PKR devaluation along with the start of Saudi Oil facility from July. Exports during FY20 showed a decrease of 7% YoY mainly due to imposition of strict lockdown to mitigate local transmission of coronavirus infections and cancellation of textile orders in the months of March and April. Similarly, Imports decreased by 18% YoY due to shrinkage in demand and lower oil prices. Foreign remittances depicted increase of 6% YoY for FY20, despite COVID-19 hurting the incomes of expatriates across the globe.

CPI clocked in at 10.7% for FY20 as compared to 6.8 % in FY19 mainly due to increase in petroleum and food prices. We believe inflation levels will fall in the coming months due to decrease in demand and high base effect. In light of falling inflation forecasts, SBP slashed the policy rate by a further 100bps to 7 percent to restrict the economic slowdown and enable timely recovery, leading to a total cut of 625 bps in last three months.

The Federal Budget was announced in June, largely maintaining status-quo of previous policies. Although no new taxes were imposed in the budget, it was notable for not providing significant incentives for various industries (apart from tariff rationalization on raw materials). Moreover, various stakeholders' proposals regarding capital markets were ignored as well.

Equity Market Review

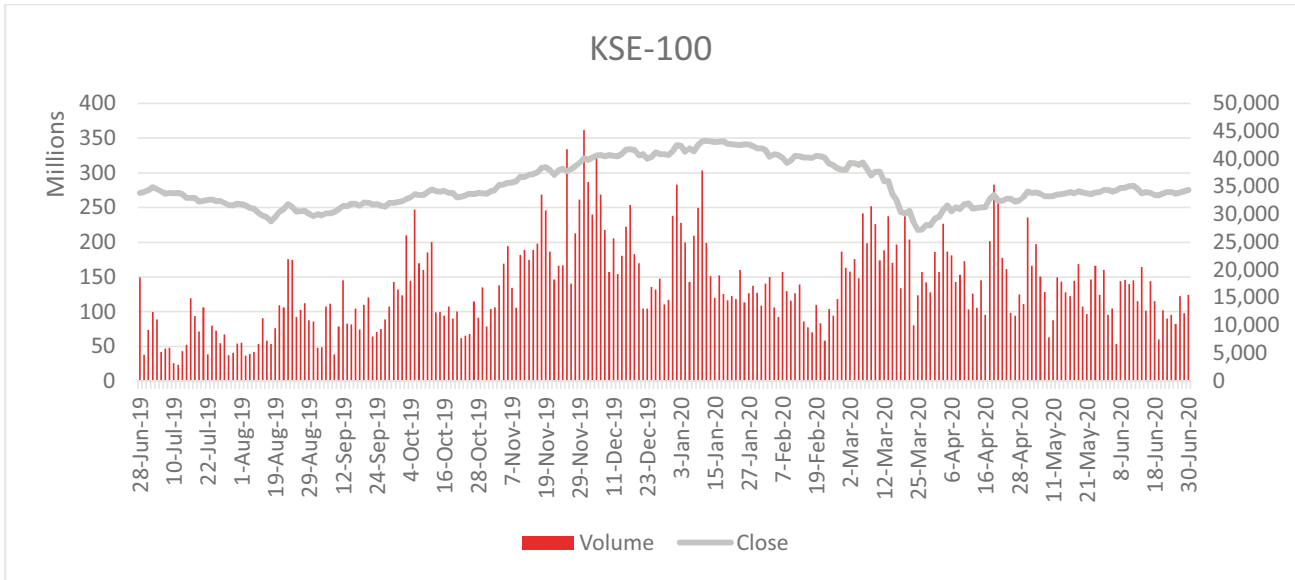
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

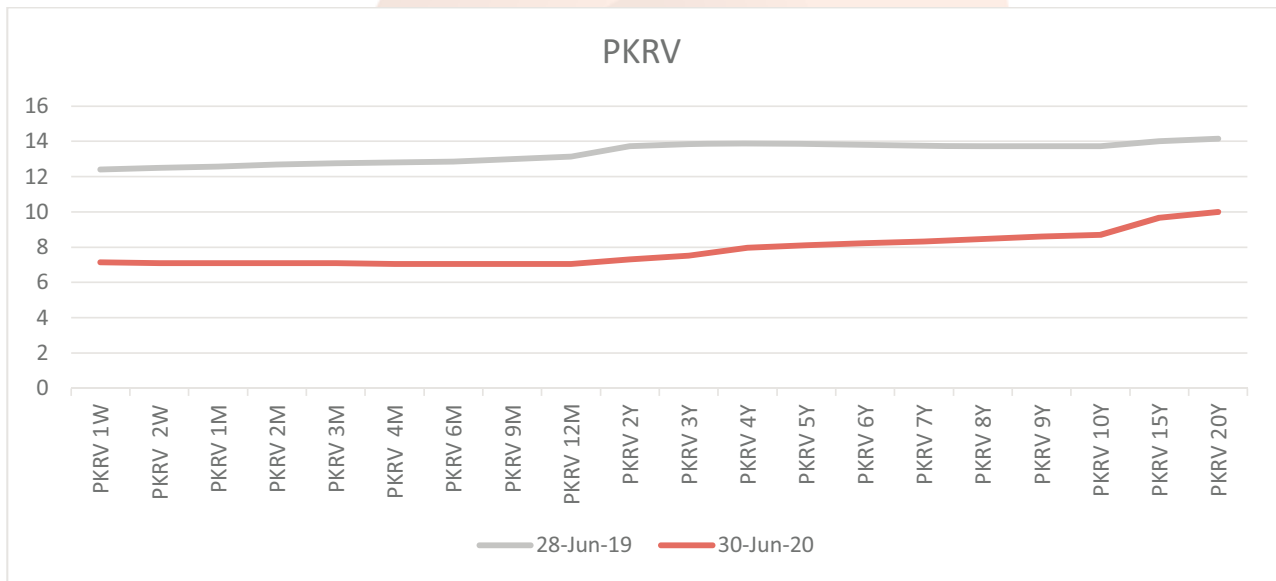


Money Market

Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

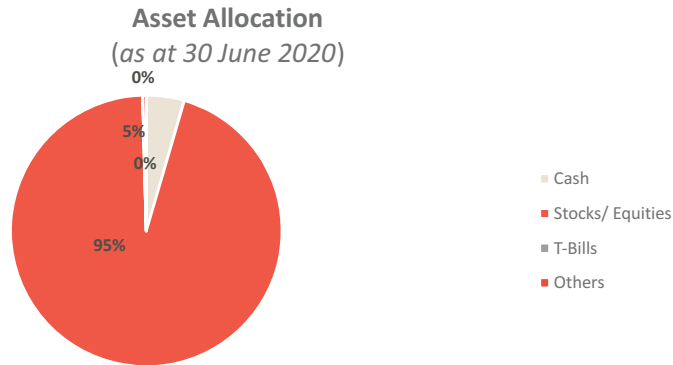
Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.



Fund Operations and Performance

Alfalah GHP Alpha Fund

During FY20, AGAF earned a return of -3.37% versus the benchmark (KSE-100) return of 1.53% during the same period.



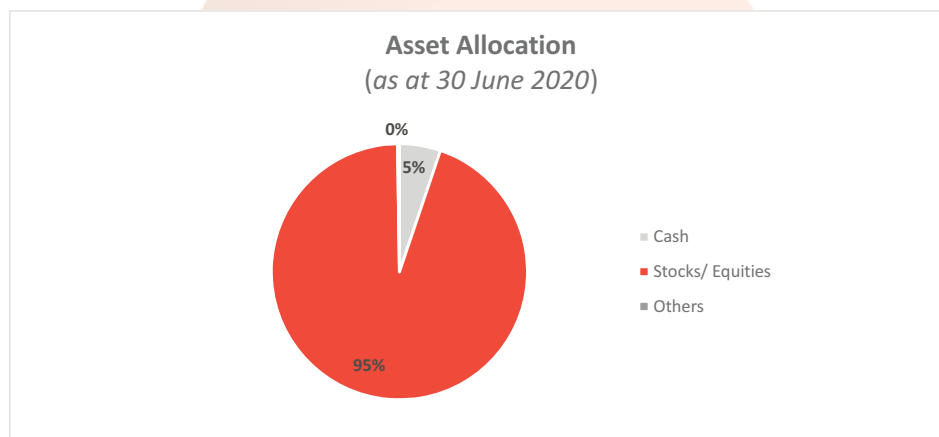
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	961.599	1,532.11
Gross (loss) / income	-7.16	-242.65
Total Comprehensive Loss	-46.00	-293.82
Net Assets Value per Unit (PKR)	53.55	55.42
Issuance of units during the period	665.31	659.16
Redemption of units during the period	-773.27	-1,088.71

Alfalah GHP Islamic Stock Fund

In FY20, AGISTF earned a return of -1.34% while its benchmark earned a return of 1.62% during the same period.



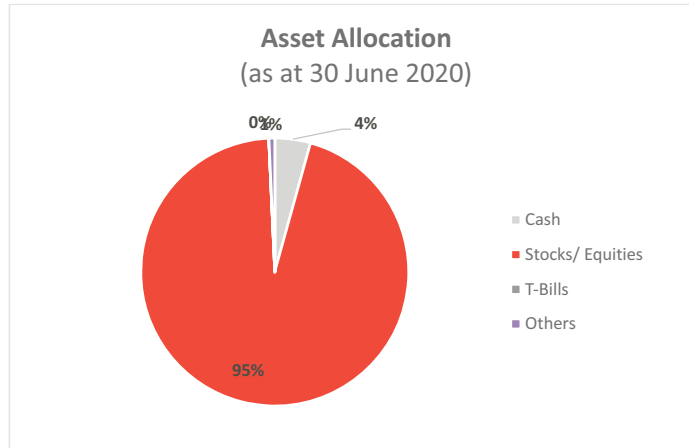
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	2,062.196	3,469.73
Gross (loss) / income	-18.94	-574.09
Total Comprehensive Loss	-103.13	-691.36
Net Assets Value per Unit (PKR)	40.0924	40.6369
Issuance of units during the period	2,608.44	2,202.39
Redemption of units during the period	-2,667.96	-2,969.29

Alfalsh GHP Stock Fund

During FY20, AGSF earned a return of -3.74 % versus the benchmark (KSE-100) return 1.53% during the same period.



Key Financial Data

(Rupees in Million)

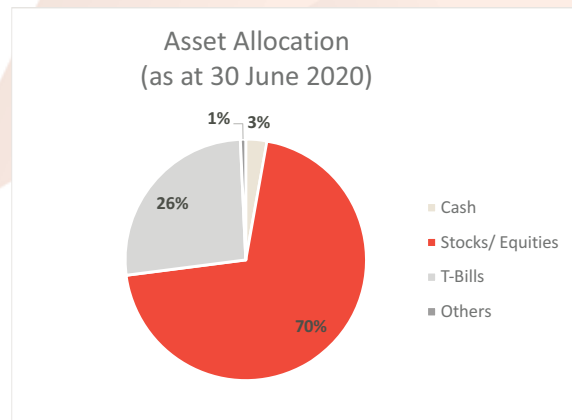
Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	1,418.716	2,223.66
Gross (loss) / income	-94.23	-312.44
Total Comprehensive Loss	-149.72	-386.55
Net Assets Value per Unit (PKR)	94.6522	98.3279
Issuance of units during the period	1,667.49	1,015.87
Redemption of units during the period	-1,726.46	-1,250.23

Alfalsh GHP Value Fund

During FY20, AGVF underperformed its benchmark with a return of 0.94% versus the benchmark return of 5.82% during the same period

Payout

During the year, the fund paid out cash dividend of PKR. 1.0896 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

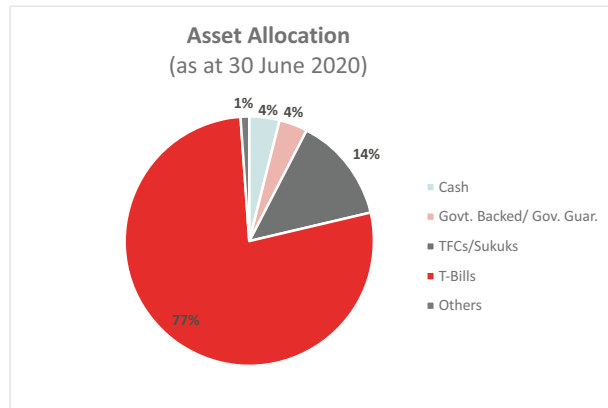
Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	1,028.571	1,738.04
Gross (loss) / income	55.48	-89.78
Total Comprehensive Loss	18.14	-147.18
Net Assets Value per Unit (PKR)	49.9683	50.5829
Issuance of units during the period	108.22	703.81
Redemption of units during the period	-552.93	-1,192.67

Alfalah GHP Income Fund

During the year under review, AGIF earned a return of 14.83% while the fund's benchmark stood at 12.23%.

Payout

During the year, the fund paid out cash dividend of PKR.16.4172 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

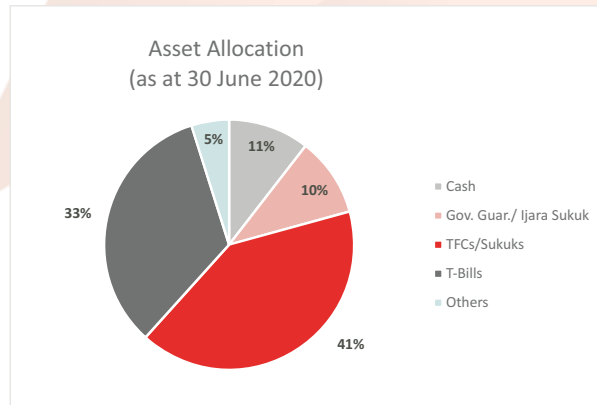
Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	434.753	346.68
Gross (loss) / income	65.26	32.11
Total Comprehensive Loss	55.77	24.25
Net Assets Value per Unit (PKR)	112.7162	112.4856
Issuance of units during the period	1764.24	538.44
Redemption of units during the period	-751.99	-787.67

Alfalah GHP Income Multiplier Fund

During the year, Alfalah GHP Income Multiplier Fund generated a return of 15.26% while the benchmark stood at 12.27%.

Payout

During the year, the fund paid out cash dividend of PKR.8.1534 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

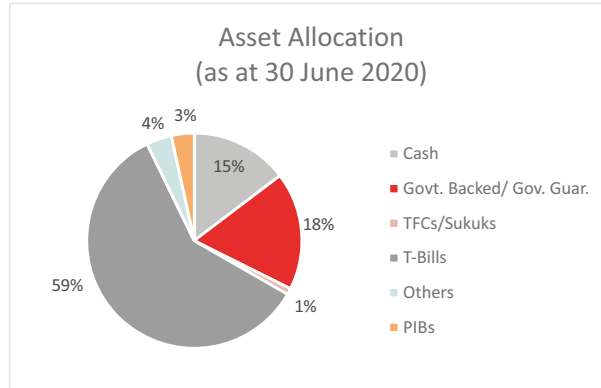
Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	294.927	417.93
Gross (loss) / income	50.00	33.49
Total Comprehensive Loss	41.88	23.62
Net Assets Value per Unit (PKR)	53.2461	53.2667
Issuance of units during the period	229.43	1,077.94
Redemption of units during the period	-389.28	-1,340.06

Alfalalah GHP Sovereign Fund

During FY20, Alfalah GHP Sovereign Fund generated a return of 16.16% while the fund's benchmark returned 12.08% during the same period.

Payout

During the year, the fund paid out cash dividend of PKR.16.7887 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

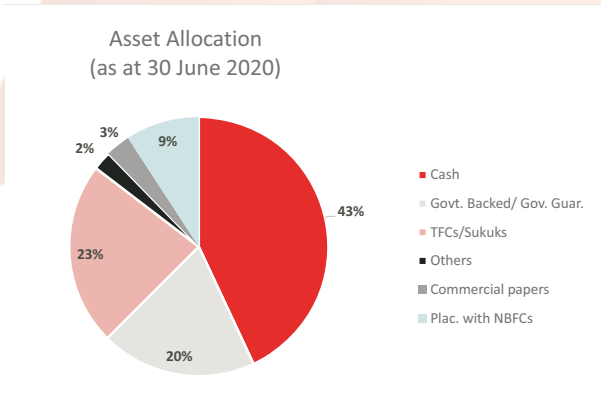
Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	938.561	858.85
Gross (loss) / income	163.46	83.13
Total Comprehensive Loss	141.80	63.07
Net Assets Value per Unit (PKR)	106.6712	106.3270
Issuance of units during the period	4,232.62	2,824.15
Redemption of units during the period	-3,690.87	-2,690.85

Alfalalah GHP Islamic Income Fund

Alfalalah GHP Islamic Income Fund generated a return of 11.56% during the period under review while the benchmark return was 6.33%.

Payout

During the year, the fund paid out cash dividend of PKR 11.2168 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

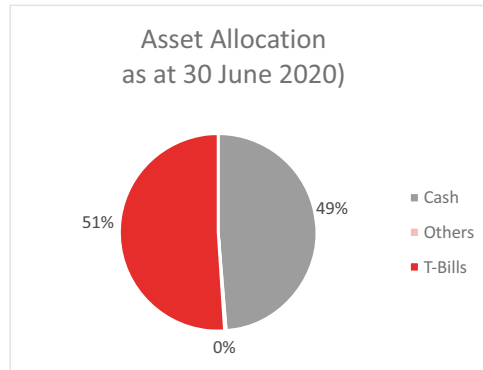
Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	5707.148	4,474.85
Gross (loss) / income	703.87	412.23
Total Comprehensive Loss	596.49	328.53
Net Assets Value per Unit (PKR)	102.0298	101.9017
Issuance of units during the period	26,611.89	7,534.44
Redemption of units during the period	-21,464.84	-7,226.59

Alfalsh GHP Cash Fund

During FY20, Alfalah GHP Cash Fund (AGCF) generated a return of 12.67% while the benchmark of the fund generated 11.66% during the same period.

Payout

At the year end, the fund paid out cash dividend of PKR.30.3091 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

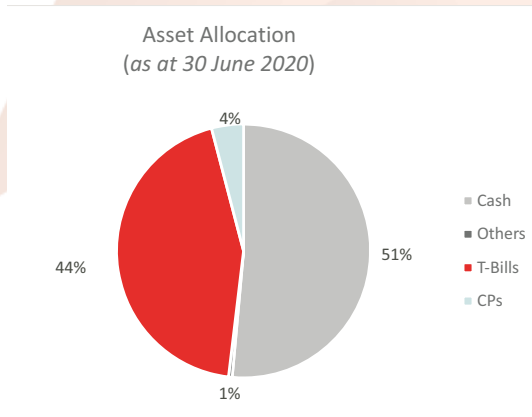
Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	5,466.275	116.42
Gross (loss) / income	689.40	12.48
Total Comprehensive Loss	656.33	9.70
Net Assets Value per Unit (PKR)	499.9776	499.0847
Issuance of units during the period	7,620.07	450.98
Redemption of units during the period	-1,950.76	-524.27

Alfalsh GHP Money Market Fund

During FY20, Alfalah GHP Money Market Fund (AGMMF) generated a return of 12.64% while the benchmark of the fund generated 11.66%.

Payout

During the year, the fund paid out cash dividend of PKR.11.5341 per unit to the unit holders.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	19,160.135	13,580.36
Gross (loss) / income	2,514.54	1,379.27
Total Comprehensive Loss	2,310.85	1,254.08
Net Assets Value per Unit (PKR)	98.1382	97.9519
Issuance of units during the period	38,402.39	41,902.93
Redemption of units during the period	-40,985.38	-28,840.22

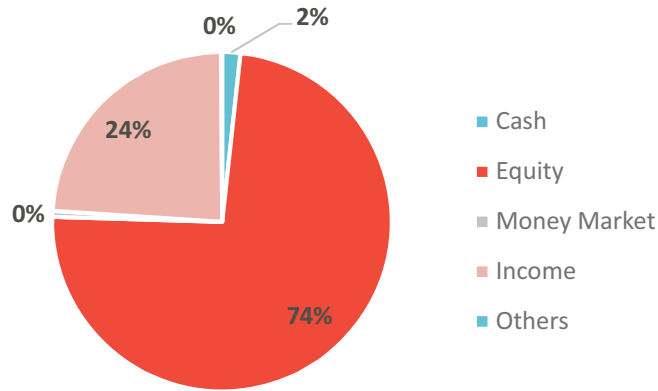
Alfalah GHP Prosperity Planning Fund- Active Allocation Plan

The fund's return stood at -0.75% against the benchmark return of 1.65%.

Payout

During the year, the fund paid out cash dividend of PKR 0.0918 per unit to the unit holders

Asset Allocation - Active
(as at 30 Jun 2020)



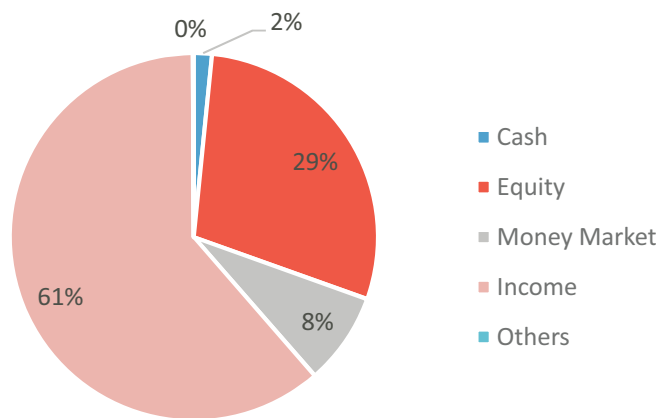
Alfalah GHP Prosperity Planning Fund- Moderate Plan

The fund's return stood at of 7.25% against the benchmark return of 9.49%.

Payout

During the year, the fund paid out cash dividend of PKR 6.7166 per unit to the unit holders

Asset Allocation - Moderate
(as at 30 Jun 2020)

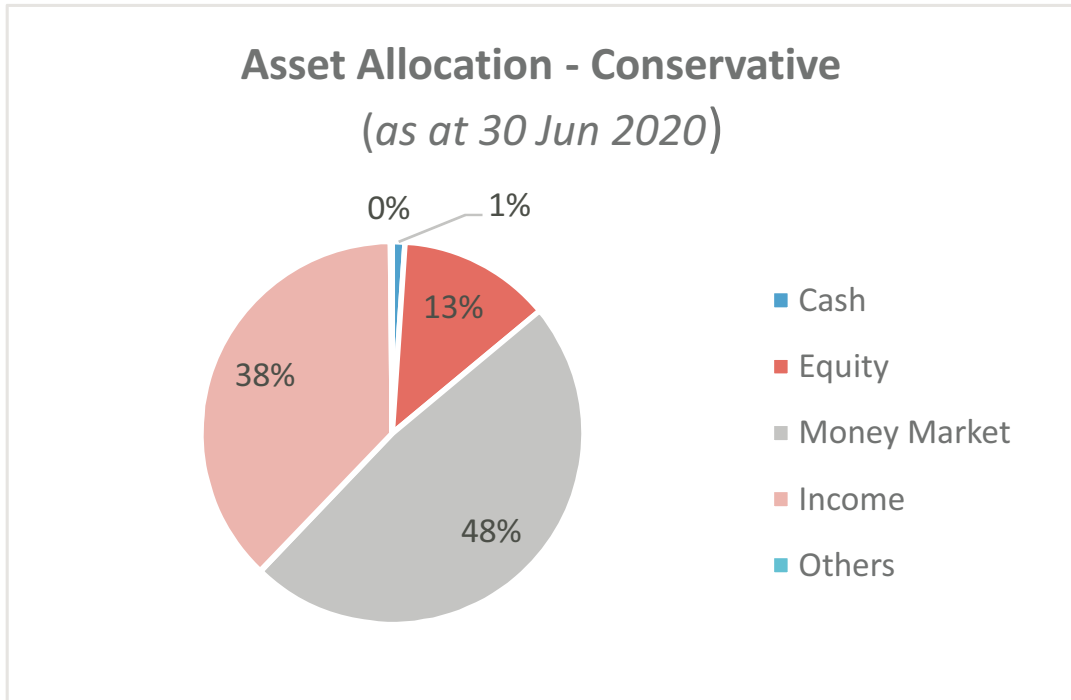


Alfalah GHP Prosperity Planning Fund- Conservative Plan

The fund generated a return of 9.48% against the benchmark which generated 10.91%.

Payout

During the year, the fund paid out cash dividend of PKR.9.542 per unit to the unit holders.



Key Financial Data Alfalah GHP Prosperity Planning Fund

(Rupees in Million)

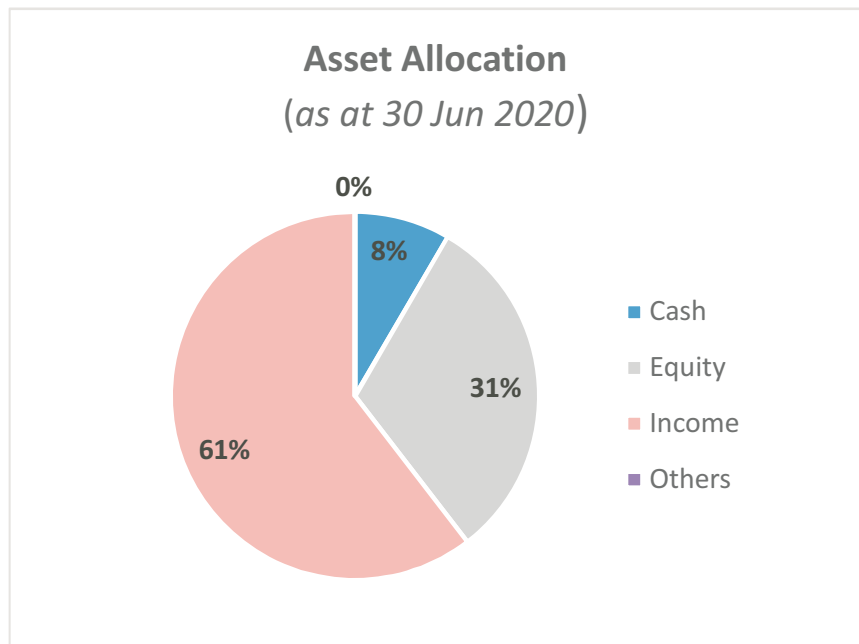
Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	For the year ended June 30, 2020			For the year ended June 30, 2019		
Average Net Assets	151.726	181.622	230.629	327.03	291.61	409.59
Gross (loss) / income	0.60	17.86	20.48	-14.87	12.10	-4.11
Total Comprehensive (loss) / Income	0.13	16.39	19.27	-16.18	10.09	-5.94
Net Assets Value per Unit (PKR)	98.1816	102.8413	98.3850	98.9192	102.6701	98.0168
Issuance of units during the year	0.14	11.84	12.41	3.63	82.51	22.97
Redemption of units during the year	-17.89	-9.10	-74.41	-328.07	-266.16	-283.65

Alfalah GHP Islamic Prosperity Planning Fund- Moderate Allocation Plan

The fund generated a return of 5.94% against the benchmark which generated 3.18%.

Payout

During the year, the fund paid out cash dividend of PKR 5.449 per unit to the unit holders.

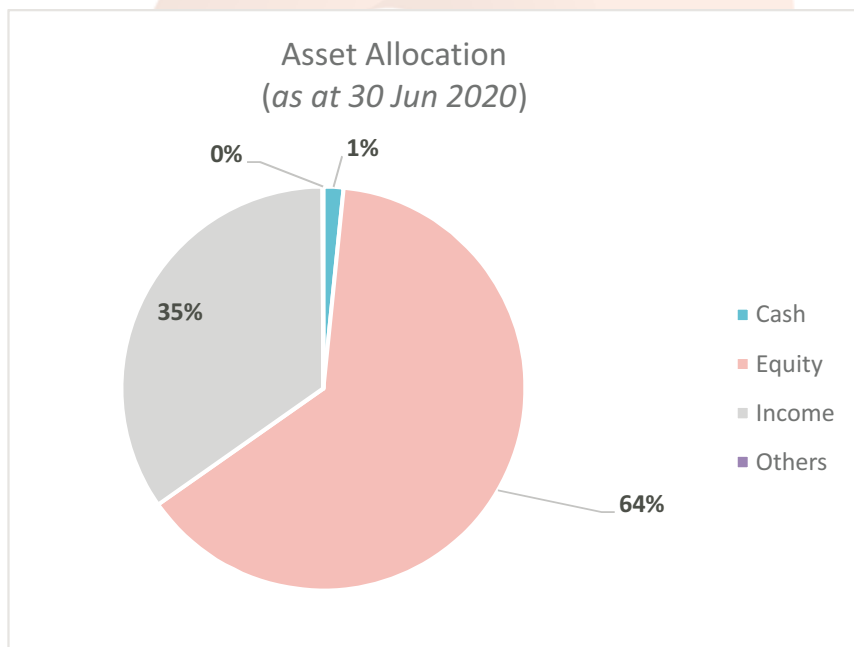


Alfalah GHP Islamic Prosperity Planning Fund- Active Allocation Plan II

The fund generated a return of 1.26% against the benchmark which generated -1.75%.

Payout

During the year, the fund paid out cash dividend of PKR 1.6799 per unit to the unit holders.

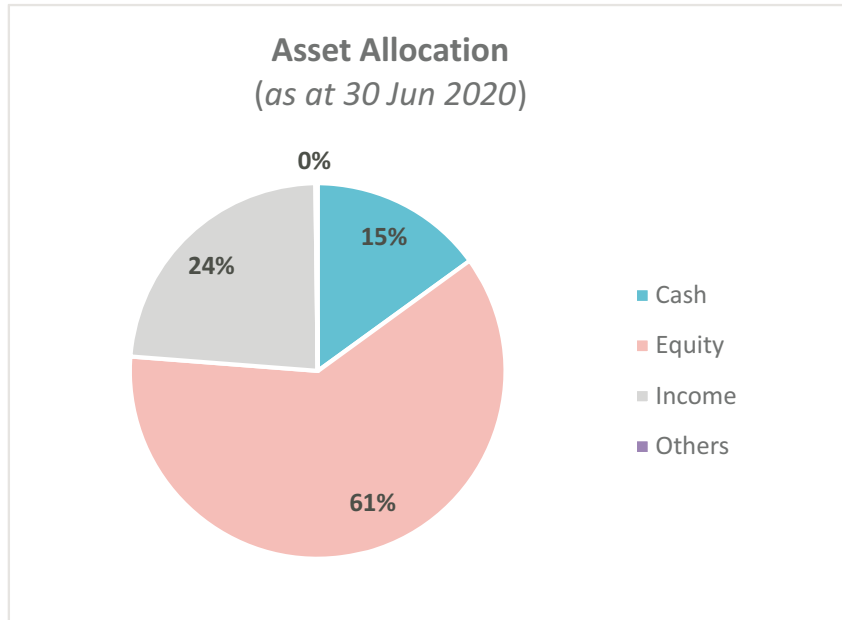


Alfalah GHP Islamic Prosperity Planning Fund - Active Allocation Plan III

The fund generated a return of 1.12% against the benchmark which generated -2.25%.

Payout

During the year, the fund paid out cash dividend of PKR 12.6758 per unit to the unit holders.

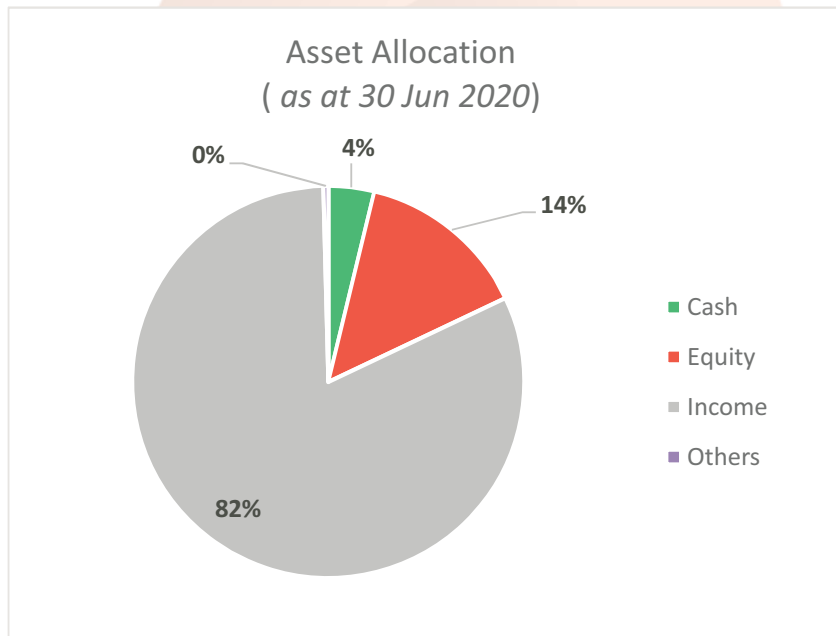


Alfalah GHP Islamic Prosperity Planning Fund - Balance Allocation Plan

The fund generated a return of 9.04% against the benchmark which generated 6.522%.

Payout

During the year, the fund paid out cash dividend of PKR. 8.8238 per unit to the unit holders.

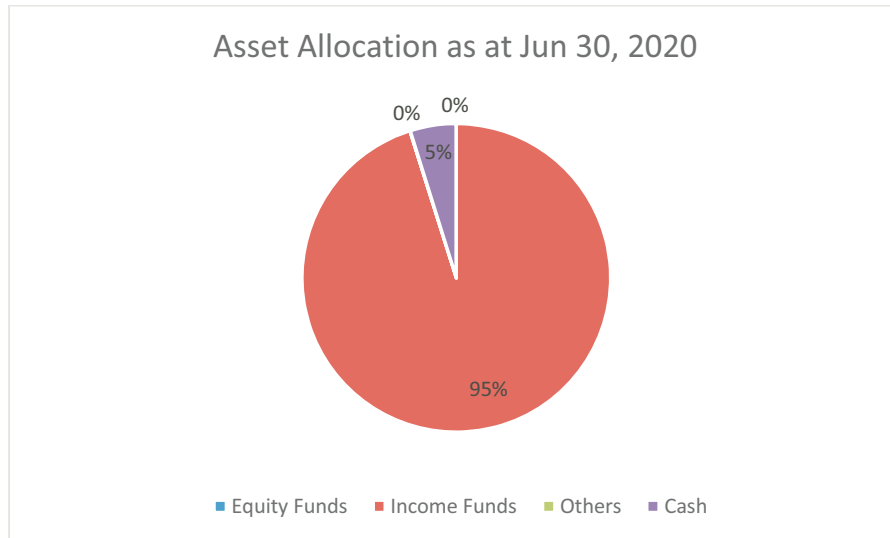


Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation 4

The fund generated a return of 7.43% against the benchmark which generated 3.25%.

Payout

During the year, the fund paid out cash dividend of PKR. 7.3595 per unit to the unit holders.

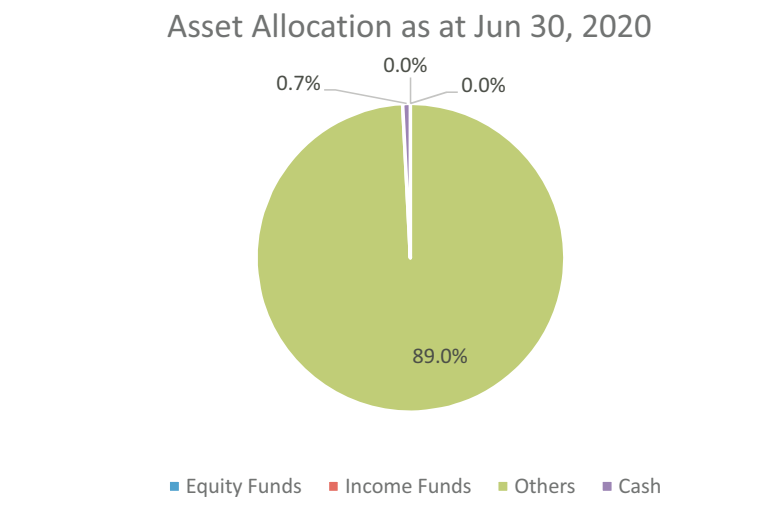


Alfalah GHP Islamic Prosperity Planning Fund - Capital Preservation 5

The fund generated a return of 7.94% against the benchmark which generated 4.28%.

Payout

During the year, the fund paid out cash dividend of PKR. 7.8755 per unit to the unit holders.



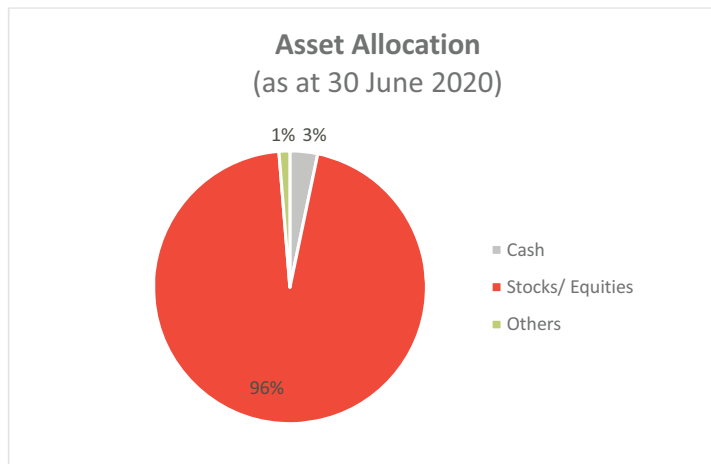
Key Financial Data Alfalah GHP Islamic Prosperity Planning Fund (Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	For the year ended June 30, 2020					
Average Net Assets	154.42	279.633	375.383	166.081	113.571	45.587
Gross income / (loss)	13.43	27.79	8.52	11.29	10.10	4.53
Total Comprehensive Income / (loss)	12.46	25.77	6.44	10.37	9.43	4.22
Net Assets Value per Unit (PKR)	98.5484	99.4139	90.0817	81.2741	100.2739	100.2582
Issuance of units during the year	3.23	19.32	9.30	8.89	5.73	1.83
Redemption of units	-235.57	162.69	-70.01	-543.26	-96.86	-30.80

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

Alfalah GHP Islamic Dedicated Equity Fund

The fund generated a return of -1.34% against the benchmark which generated 1.62%.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	194.490	948.82
Gross (loss) / income	-20.98	-149.23
Total Comprehensive Loss	-29.70	-177.10
Net Assets Value per Unit (PKR)	63.9614	59.8829
Issuance of units during the period	576.00	1,295.00
Redemption of units during the period	-244.66	-2,732.74

Alfalah GHP Islamic Value Fund

The fund generated a return of -0.36% against the benchmark which generated 1.86%.

Payout

During the year, the fund paid out cash dividend of PKR. 0.3434 Per unit to the unit holders.



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	121.418	213.87
Gross (loss) / income	5.96	-13.15
Total Comprehensive Loss	0.76	-21.93
Net Assets Value per Unit (PKR)	88.8143	89.4693
Issuance of units during the period	1,312.92	66.50
Redemption of units during the period	-709.53	-191.07

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
August 24, 2020





**Alfalah
GHP Cash Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalah GHP Cash Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

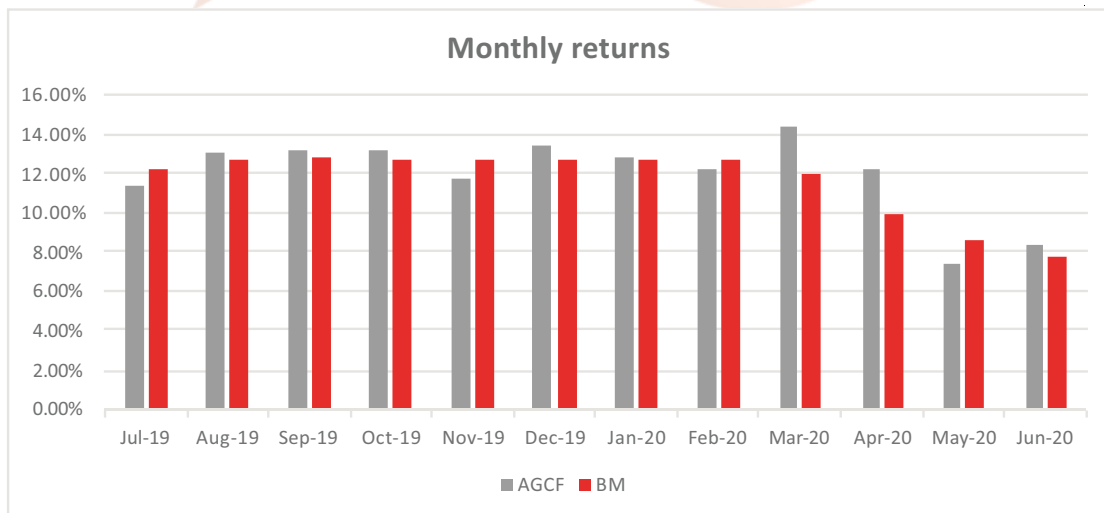
Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

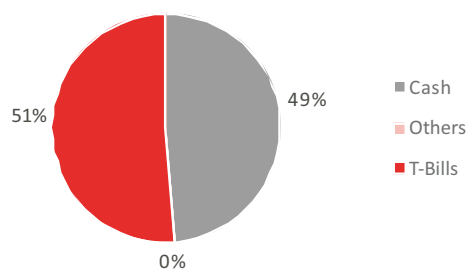
Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

Fund Performance

For the year ended June 30, 2020 the fund posted a return of 12.67% against the target benchmark of 11.66%. During the period, the fund out performed its benchmark by making cash placements at premium rates and maintained higher WAM (weighted average maturity) of the portfolio to benefit from valuation gains in declining interest rates cycle



**Asset Allocation
(as at 30 June 2020)**



Credit Quality (as % of Total Assets)			
Govt. Guar.	51.03%	A	0.00%
AAA	47.97%	A-	0.00%
AA+	0.74%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	3.26%

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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



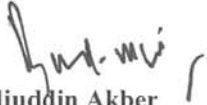
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP CASH FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Cash Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund from February 06, 2020 to June 30, 2020 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020

INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Cash Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 2,936.24 million and bank balances aggregated to Rs 2,791.04 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP CASH FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Assets			
Bank balances	4	2,791,044,515	83,374,441
Investments	5	2,936,238,559	-
Profit receivable on bank balances		15,184,440	80,541
Advance tax and prepayment	6	371,482	450,081
Receivable from the Management Company - net	7	-	393,738
Total assets		<u>5,742,838,996</u>	<u>84,298,801</u>
Liabilities			
Payable to the Management Company	8	12,318,687	11,223,634
Payable to the Trustee	9	442,194	31,512
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	1,093,267	87,317
Accrued and other liabilities	11	50,075,477	3,679,888
Total liabilities		<u>63,929,625</u>	<u>15,022,351</u>
Net assets attributable to the unit holders		<u>5,678,909,371</u>	<u>69,276,450</u>
Unit holders' fund (as per the statement attached)		<u>5,678,909,371</u>	<u>69,276,450</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>11,358,327</u>	<u>138,807</u>
		----- (Rupees) -----	
Net asset value per unit		<u>499.9776</u>	<u>499.0847</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Income			
Profit / mark-up income	13	689,338,527	12,840,023
Loss on sale of investments - net		(5,373,238)	(357,610)
Unrealised gain on revaluation of investments classified as financial assets at fair value through profit or loss' - net	5.3	5,433,120	-
Total income		<u>689,398,409</u>	<u>12,482,413</u>
Expenses			
Remuneration of the Management Company	8.1	11,479,272	641,220
Sindh sales tax on remuneration of the Management Company	8.2	1,492,317	83,366
Remuneration of the Trustee	9.1	3,727,761	503,444
Sindh sales tax on remuneration of the Trustee	9.2	484,476	65,023
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10.1	1,093,267	87,317
Bank and settlement charges		80,666	12,974
Legal and professional charges		-	139,414
Auditors' remuneration	14	633,882	633,944
Brokerage expense		177,577	3,803
Printing charges		30,009	70,032
Fees and subscriptions		470,941	343,532
Provision against Sindh Workers' Welfare Fund	11.1	13,394,566	198,276
Total expenses		<u>33,064,734</u>	<u>2,782,345</u>
Net income for the year before taxation		<u>656,333,675</u>	<u>9,700,068</u>
Taxation	16	-	-
Net income for the year after taxation		<u>656,333,675</u>	<u>9,700,068</u>
Allocation of net income for the year			
Net income for the year after taxation		656,333,675	9,700,068
Income already paid on units redeemed		(19,558,175)	(4,257,006)
		<u>636,775,500</u>	<u>5,443,062</u>
Accounting income available for distribution			
- Relating to capital gain		59,882	-
- Excluding capital gain		636,715,618	5,443,062
		<u>636,775,500</u>	<u>5,443,062</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income for the year after taxation	656,333,675	9,700,068
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>656,333,675</u></u>	<u><u>9,700,068</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- Rupees-----			----- Rupees-----		
Net assets at the beginning of the year	60,093,801	9,182,649	69,276,450	131,483,088	13,354,883	144,837,971
Issuance of 14,960,925 units (2019: 853,845 units)						
- Capital value (at net asset value per unit at the beginning of the period)	7,466,698,449	-	7,466,698,449	419,253,289	-	419,253,289
- Element of income	153,368,950	-	153,368,950	31,726,115	-	31,726,115
Total proceeds on issuance of units	7,620,067,399	-	7,620,067,399	450,979,404	-	450,979,404
Redemption of 3,741,405 units (2019: 993,647 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,867,260,212	-	1,867,260,212	493,591,012	-	493,591,012
- Element of loss	63,936,916	19,558,175	83,495,091	26,421,560	4,257,006	30,678,566
Total payments on redemption of units	1,931,197,128	19,558,175	1,950,755,303	520,012,572	4,257,006	524,269,578
Total comprehensive income for the year	-	656,333,675	656,333,675	-	9,700,068	9,700,068
Distributions during the year						
On February 12, 2020 @ Rs 40.5522 per unit (July 2, 2018 @ Rs. 23.36 per unit)	(88,721,536)	(406,889,767)	(495,611,303)	(2,058,983)	(4,445,122)	(6,504,105)
On June 30, 2020 @ Rs 20.0664 (June 30, 2019 @ Rs. 42.65 per unit)	(655,768)	(219,745,779)	(220,401,547)	(297,136)	(5,170,174)	(5,467,310)
Total distributions for the year	(89,377,304)	(626,635,546)	(716,012,850)	(2,356,119)	(9,615,296)	(11,971,415)
Net assets at the end of the year	5,659,586,768	19,322,603	5,678,909,371	60,093,801	9,182,649	69,276,450
		(Rupees)			(Rupees)	
Undistributed income brought forward						
- Realised income		9,182,649			13,354,883	
- Unrealised loss		-			-	
		9,182,649			13,354,883	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gain		59,882			-	
- Excluding capital gain		636,715,618			5,443,062	
		636,775,500			5,443,062	
Distributions during the year						
On February 12, 2020 @ Rs 40.5522 per unit (July 2, 2018 @ Rs. 23.36 per unit)		(406,889,767)			(4,445,122)	
On June 30, 2020 @ Rs 20.0664 (June 30, 2019 @ Rs. 42.65 per unit)		(219,745,779)			(5,170,174)	
		(626,635,546)			(9,615,296)	
Undistributed income carried forward		19,322,603			9,182,649	
Undistributed income carried forward						
- Realised income		13,889,483			9,182,649	
- Unrealised income / (loss)		5,433,120			-	
		19,322,603			9,182,649	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		499.0847			520.1968	
Net asset value per unit at the end of the year		499.9776			499.0847	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		656,333,675	9,700,068
Adjustments for:			
Unrealised gain on revaluation of investments classified as financial assets at fair value through profit or loss' - net		(5,433,120)	-
Provision against Sindh Workers' Welfare Fund		13,394,566	198,276
		<u>664,295,121</u>	<u>9,898,344</u>
(Increase) / decrease in assets			
Investments - net		(2,312,320,689)	-
Profit receivable on bank balances		(15,103,899)	(38,855)
Advance tax and prepayment		78,599	(420,713)
Receivable from the Management Company - net		393,738	(183,554)
		<u>(2,326,952,251)</u>	<u>(643,122)</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		1,095,053	(49,394)
Payable to the Trustee		410,682	3,466
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		1,005,950	(11,288)
Accrued and other liabilities		33,001,023	437,946
		<u>35,512,708</u>	<u>380,730</u>
Net cash flows (used in) / generated from operating activities		<u>(1,627,144,422)</u>	<u>9,635,952</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		7,530,690,095	448,623,285
Amount paid against redemption of units		(1,950,755,303)	(524,269,578)
Dividend paid		(626,635,546)	(9,615,296)
Net cash flows generated from / (used in) financing activities		<u>4,953,299,246</u>	<u>(85,261,589)</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>3,326,154,824</u>	<u>(75,625,637)</u>
Cash and cash equivalents at beginning of the year		83,374,441	159,000,078
Cash and cash equivalents at end of the year	17	<u><u>3,409,529,265</u></u>	<u><u>83,374,441</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Cash Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on October 23, 2009 between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company Limited (CDC) as the Trustee. In 2012, the first supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and MCB Financial Services Limited was appointed as the new Trustee. On October 10, 2019, a supplemental trust deed for change of trustee and amendment of trust deed of the Fund was executed and Central Depository Company of Pakistan Limited was appointed as the new Trustee. The Securities and Exchange Commission of Pakistan authorised the constitution of the Trust Deed on June 13, 2012 and it was executed on June 21, 2012 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019 and AA(f) to the Fund in its credit rating report dated April 17, 2020.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

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

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

Impairment loss on debt securities

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

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

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Distributions to unit holders

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

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

3.8 Issue and redemption of units

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

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

3.12 Expenses

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

3.13 Earnings / loss per unit

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

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

3.14 Foreign currency translation

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

	Note	2020 ----- (Rupees) -----	2019 -----
4 BANK BALANCES			
In saving accounts	4.1	<u>2,791,044,515</u>	<u>83,374,441</u>

- 4.1 These accounts carry profit rates ranging between 6.5% to 14.44% (2019: 7.35% to 13.15%) per annum. These include bank balance of Rs. 0.598 million (2019: Rs. 82.899 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 6.5% (2019: 13.10%) per annum.

5 INVESTMENTS

Note	2020	2019
	----- (Rupees) -----	
At fair value through profit or loss		
Market Treasury Bills	5.1	2,936,238,559
Letters of placement	5.2	-
		<u>2,936,238,559</u>

5.1 Market Treasury Bills

Issue Date	Face Value				At June 30, 2020			Market value as a percentage of	
	As at July 01, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
					(Rupees)			(%)	
Market treasury bills - 3 months									
May 23, 2019	-	80,000,000	80,000,000	-	-	-	-	0.00%	0.00%
July 18, 2019	-	2,610,000,000	2,610,000,000	-	-	-	-	0.00%	0.00%
August 1, 2019	-	5,677,500,000	5,677,500,000	-	-	-	-	0.00%	0.00%
August 16, 2019	-	1,500,000,000	1,500,000,000	-	-	-	-	0.00%	0.00%
August 29, 2019	-	630,000,000	630,000,000	-	-	-	-	0.00%	0.00%
October 10, 2019	-	1,680,000,000	1,680,000,000	-	-	-	-	0.00%	0.00%
October 24, 2019	-	5,165,000,000	5,165,000,000	-	-	-	-	0.00%	0.00%
November 7, 2019	-	3,250,000,000	3,250,000,000	-	-	-	-	0.00%	0.00%
December 19, 2019	-	1,996,600,000	1,996,600,000	-	-	-	-	0.00%	0.00%
January 2, 2020	-	3,635,000,000	3,635,000,000	-	-	-	-	0.00%	0.00%
January 16, 2020	-	375,000,000	375,000,000	-	-	-	-	0.00%	0.00%
January 30, 2020	-	4,420,000,000	4,420,000,000	-	-	-	-	0.00%	0.00%
February 27, 2020	-	200,000,000	200,000,000	-	-	-	-	0.00%	0.00%
March 12, 2020	-	1,230,000,000	1,230,000,000	-	-	-	-	0.00%	0.00%
March 25, 2020	-	900,000,000	900,000,000	-	-	-	-	0.00%	0.00%
March 26, 2020	-	500,000,000	500,000,000	-	-	-	-	0.00%	0.00%
April 9, 2020	-	1,158,000,000	1,158,000,000	-	-	-	-	0.00%	0.00%
April 23, 2020	-	3,100,000,000	3,100,000,000	-	-	-	-	0.00%	0.00%
May 21, 2020	-	250,000,000	-	250,000,000	247,652,150	247,928,000	275,850	4.37%	8.44%
June 4, 2020	-	250,000,000	-	250,000,000	246,918,948	247,258,750	339,802	4.35%	8.42%
June 18, 2020	-	125,000,000	-	125,000,000	123,162,768	123,298,000	135,232	2.17%	4.20%
	-	38,732,100,000	38,107,100,000	625,000,000	617,733,866	618,484,750	750,884	10.89%	21.06%
Market treasury bills - 6 months									
July 18, 2019	-	3,550,000,000	3,550,000,000	-	-	-	-	0.00%	0.00%
September 12, 2019	-	245,000,000	245,000,000	-	-	-	-	0.00%	0.00%
September 26, 2019	-	38,000,000	38,000,000	-	-	-	-	0.00%	0.00%
October 10, 2019	-	500,000,000	500,000,000	-	-	-	-	0.00%	0.00%
October 24, 2019	-	1,000,000,000	1,000,000,000	-	-	-	-	0.00%	0.00%
November 7, 2019	-	1,000,000,000	1,000,000,000	-	-	-	-	0.00%	0.00%
January 2, 2020	-	250,000,000	250,000,000	-	-	-	-	0.00%	0.00%
March 26, 2020	-	375,000,000	375,000,000	-	-	-	-	0.00%	0.00%
April 9, 2020	-	375,000,000	-	375,000,000	365,074,976	367,936,500	2,861,524	6.48%	12.53%
April 23, 2020	-	1,728,000,000	-	1,728,000,000	1,689,872,932	1,691,043,264	1,170,332	29.77%	57.60%
June 18, 2020	-	125,000,000	-	125,000,000	120,827,323	121,048,625	221,302	2.13%	4.12%
	-	9,186,000,000	6,958,000,000	2,228,000,000	2,175,775,231	2,180,028,389	4,253,158	38.38%	74.25%
Market treasury bills - 12 months									
September 26, 2019	-	140,000,000	-	140,000,000	137,296,342	137,725,420	429,078	2.43%	4.69%
Total as at June 30, 2020					2,930,805,439	2,936,238,559	5,433,120	51.70%	100.00%
Total as at June 30, 2019					-	-	-	-	-

5.2 Letters of placement

Name of the investee company	Rate of return per annum	Face value				Market value as percentage of	
		As at July 01, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Net assets of the Fund	Total investments
		----- Rupees -----				----- (%) -----	
Habib Bank Limited	13.25%	-	500,000,000	500,000,000	-	-	-
Habib Bank Limited	13.25%	-	500,000,000	500,000,000	-	-	-
Pak Brunei Investment Company Limited	13.25%	-	650,000,000	650,000,000	-	-	-
Pak Brunei Investment Company Limited	13.25%	-	500,000,000	500,000,000	-	-	-
Pak Oman Investment Company Limited	13.10%	-	630,000,000	630,000,000	-	-	-
Pak Oman Investment Company Limited	13.05%	-	475,000,000	475,000,000	-	-	-
Pak Oman Investment Company Limited	13.15%	-	450,000,000	450,000,000	-	-	-
Pak Oman Investment Company Limited	13.35%	-	600,000,000	600,000,000	-	-	-
Pak Oman Investment Company Limited	13.25%	-	650,000,000	650,000,000	-	-	-
Pak Oman Investment Company Limited	13.00%	-	650,000,000	650,000,000	-	-	-
Pak Oman Investment Company Limited	13.00%	-	650,000,000	650,000,000	-	-	-
Pak Oman Investment Company Limited	13.00%	-	640,000,000	640,000,000	-	-	-
Pak Oman Investment Company Limited	13.40%	-	650,000,000	650,000,000	-	-	-
Pak Oman Investment Company Limited	13.35%	-	650,000,000	650,000,000	-	-	-
Pak Oman Investment Company Limited	8.80%	-	100,000,000	100,000,000	-	-	-
Pak Oman Investment Company Limited	8.50%	-	175,000,000	175,000,000	-	-	-
Pak Oman Investment Company Limited	8.00%	-	100,000,000	100,000,000	-	-	-
Pak Oman Investment Company Limited	8.15%	-	100,000,000	100,000,000	-	-	-
Pak Oman Investment Company Limited	8.15%	-	350,000,000	350,000,000	-	-	-
Pak Oman Investment Company Limited	8.05%	-	550,000,000	550,000,000	-	-	-
Saudi Pak Industrial And Agricultural Investment Company Limited	9.20%	-	550,000,000	550,000,000	-	-	-
Zarai Taraqiyati Bank Limited	13.28%	-	650,000,000	650,000,000	-	-	-
Zarai Taraqiyati Bank Limited	13.05%	-	200,000,000	200,000,000	-	-	-
Total as at June 30, 2020		-	10,970,000,000	10,970,000,000	-	-	-
Total as at June 30, 2019		-	-	-	-	-	-

Note

2020

2019

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

5.3 Unrealised gain on revaluation of investments classified as financial assets at 'fair value through profit or loss' - net

Market value of investments	5.1 & 5.2	2,936,238,559	-
Less: Carrying value of investments	5.1 & 5.2	<u>(2,930,805,439)</u>	-
		<u>5,433,120</u>	-

6 ADVANCE TAX AND PREPAYMENT

Advance tax	6.1	29,368	29,368
Prepaid PACRA rating fee		342,114	336,040
Prepaid professional fee		-	84,673
		<u>371,482</u>	<u>450,081</u>

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

For this purpose, the Mutual Funds Association of Pakistan (the MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on profit on debt has been shown as a receivable as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2020	2019
		----- (Rupees) -----	
7 RECEIVABLE FROM THE MANAGEMENT COMPANY - NET			
Reimbursement from the Management Company		-	450,000
Less: management remuneration payable	8.1	-	(56,262)
Receivable from the Management Company		-	393,738

8 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	8.1	937,048	-
Sindh sales tax payable on management remuneration	8.2	1,533,254	1,411,426
Federal excise duty payable on management remuneration	8.3	9,810,527	9,810,527
Sales load payable		37,858	1,681
		<u>12,318,687</u>	<u>11,223,634</u>

- 8.1 During the year, the Management Company has charged remuneration at the rate of 0.21% (2019: at the rate of 1% from July 1, 2018 till June 9, 2019 and at the rate of 0.21% from June 10, 2019 to June 30, 2019) of average annual net assets of the Fund, calculated on a daily basis. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2 During the year, an amount of Rs. 1.492 million (2019: Rs. 0.083 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.533 million (2019: Rs. 0.134 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 9.81 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.86 (2019: Rs 70.68) per unit.

	Note	2020	2019
		----- (Rupees) -----	
9 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	9.1	389,739	26,186
Sindh sales tax payable on trustee remuneration	9.2	52,455	5,326
		<u>442,194</u>	<u>31,512</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. From July 1, 2019 to February 6, 2020, the Trustee has charged remuneration as follows:

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.5 million or 0.12% per annum (p.a.) of net assets whichever is higher
Over Rs. 1 billion	Rs.1.2 million plus 0.06% p.a. of net assets exceeding Rs.1 billion

Thereafter from February 7, 2020 to June 30, 2020, the Trustee has charged remuneration at the rate of 0.065% per annum of net assets of the Fund.

During 2019, the Trustee had charged remuneration as follows:

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.5 million or 0.12% per annum (p.a.) of net assets whichever is higher
Over Rs. 1 billion	Rs.1.2 million plus 0.06% p.a. of net assets exceeding Rs.1 billion

- 9.2 During the year, an amount of Rs 0.484 million (2019: Rs. 0.065 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.437 million (2019: Rs. 0.065 million) was paid to the Trustee which acts as a collecting agent.

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

Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Annual fee payable to the SECP	<u>1,093,267</u>	<u>87,317</u>

- 10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2019: 0.075%) of the average annual net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES

Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Withholding tax payable	32,744,305	249,485
Provision against Sindh Workers' Welfare Fund	15,884,372	2,489,806
Auditors' remuneration payable	643,913	467,520
Dividend payable	519,331	378,188
Brokerage payable	179,505	11,929
Printing charges payable	104,051	82,960
	<u>50,075,477</u>	<u>3,679,888</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2020 would have been higher by Re 1.40 (2019: Rs 17.94) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

	2020	2019
	----- (Rupees) -----	
13 PROFIT / MARK-UP INCOME		
Bank balances	188,155,451	5,830,676
Market Treasury Bills	480,516,785	7,009,347
Letters of placement	20,666,291	-
	<u>689,338,527</u>	<u>12,840,023</u>
14 AUDITORS' REMUNERATION		
Audit fee	315,000	315,000
Review and other certifications	211,000	211,000
Out of pocket expenses	60,923	60,985
Sindh sales tax	46,959	46,959
	<u>633,882</u>	<u>633,944</u>
15 TOTAL EXPENSE RATIO		

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 0.60% which includes 0.30% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

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

Since the management company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements.

17 CASH AND CASH EQUIVALENTS	Note	2020	2019
		----- (Rupees) -----	
Bank balances	4	2,791,044,515	83,374,441
Market Treasury Bills (with original maturity of three months)	5.1	618,484,750	-
		<u>3,409,529,265</u>	<u>83,374,441</u>

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

18.1 Unit Holders' Fund

Note									
2020									
As at July 01, 2019	Issued for cash / conversion in transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2020
(Units)					(Rupees)				

Associated companies / undertakings

Alfalsh GHP Investment Management Limited	18.1.1	-	15,364	1,726	-	17,090	-	8,000,000	861,241	-	8,544,682
Alfalsh GHP Prosperity Planning Fund	18.1.1	119,104	-	13,834	17,589	115,349	59,442,963	-	6,903,262	9,000,000	57,670,897

2019									
As at July 01, 2018	Issued for cash / conversion in transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transferred in	Dividend reinvestment	Redeemed / conversion out / transfer out	Amount outstanding as at June 30, 2019
(Units)					(Rupees)				

Associated companies / undertakings

Alfalsh GHP Investment Management Limited		19,322	638,211	772	658,305	-	10,051,243	340,427,748	383,667	351,653,343	-
Alfalsh GHP Prosperity Planning Fund		170,173	101,032	17,376	169,477	119,104	88,523,458	50,600,000	8,654,084	86,709,515	59,442,963

18.1.1 This reflects the position of related party / connected person status as at June 30, 2020.

18.2 Other transactions

2020
----- (Rupees) -----
2019

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	11,479,272	641,220
Sindh sales tax on remuneration of the Management Company	1,492,317	83,366

Alfalsh GHP Sovereign Fund

Market Treasury Bills - purchased	207,326,606	115,886,338
Market Treasury Bills - sold	399,722,380	114,379,375

Alfalsh GHP Capital Preservation Fund II

Market Treasury Bills - purchased	9,813,520	17,649,234
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Alfalsh GHP Money Market Fund

Market Treasury Bills - purchased	4,161,363,750	19,666,320
Market Treasury Bills - sold	1,310,820,028	4,984,940

Alfalsh GHP Income Fund

Market Treasury Bills - purchased	22,725,426	-
Market Treasury Bills - sold	19,833,780	-

Alfalsh GHP Value Fund

Market Treasury Bills - sold	29,132,190	-
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Alfalsh GHP Income Multiplier Fund

Market Treasury Bills - purchased	37,893,240	-
Market Treasury Bills - sold	87,761,520	-

	2020	2019
	----- (Rupees) -----	
Bank Alfalah Limited		
Profit on bank balances	101,015,970	3,687,633
Bank charges	42,778	10,043
Sales Load	3,254,978	-
Other related parties		
MCB Financial Services Limited - Trustee		
Remuneration of the Trustee	2,244,302	503,444
Sindh sales tax on remuneration of the Trustee	291,626	65,023
Central Depository Company Limited - Trustee		
Remuneration of the Trustee	1,483,459	-
Sindh sales tax on remuneration of the Trustee	192,850	-

18.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	937,048	56,262
Sindh sales tax payable on management remuneration	1,533,254	1,411,426
Federal excise duty payable on management remuneration	9,810,527	9,810,527
Sales load payable	37,858	1,681
Reimbursement from the Management Company	-	450,000

Bank Alfalah Limited

Bank balance	587,096	82,898,839
Profit receivable on bank balances	1,845	68,238

Other related parties

MCB Financial Services Limited - Trustee

Trustee remuneration payable	-	24,186
Sindh sales tax payable on trustee remuneration	-	5,326

Central Depository Company Limited - Trustee

Trustee remuneration payable	389,739	-
Sindh sales tax payable on trustee remuneration	52,455	-

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	2,791,044,515	-	2,791,044,515
Investments	-	2,936,238,559	2,936,238,559
Profit receivable on bank balances	15,184,440	-	15,184,440
Receivable from the Management Company - net	-	-	-
	<u>2,806,228,955</u>	<u>2,936,238,559</u>	<u>5,742,467,514</u>

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total

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

Financial liabilities

Payable to the Management Company	12,318,687	-	12,318,687
Payable to the Trustee	442,194	-	442,194
Accrued and other liabilities	1,446,800	-	1,446,800
	<u>14,207,681</u>	<u>-</u>	<u>14,207,681</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total

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

Financial assets

Bank balances	83,374,441	-	83,374,441
Investments	-	-	-
Profit receivable on bank balances	80,541	-	80,541
Receivable from the Management Company - net	393,738	-	393,738
	<u>83,848,720</u>	<u>-</u>	<u>83,848,720</u>

Financial liabilities

Payable to the Management Company	11,223,634	-	11,223,634
Payable to the Trustee	31,512	-	31,512
Accrued and other liabilities	940,597	-	940,597
	<u>12,195,743</u>	<u>-</u>	<u>12,195,743</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

20.1 Market risk

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

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

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

20.1.1 Currency risk

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

20.1.2 Interest rate risk

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

	Note	2020	2019
		-----Rupees-----	
Variable rate instrument (financial asset)			
Bank balance	4	2,791,044,515	83,374,441
Market Treasury Bills	5.1	2,936,238,559	-
		<u>5,727,283,074</u>	<u>83,374,441</u>

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

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 29.51 million (2019: Rs 0.001 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

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

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

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	2020					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.5% -14.44%	2,791,044,515	-	-	-	2,791,044,515
Investments	7.05% - 7.09%	756,210,170	2,180,028,389	-	-	2,936,238,559
Profit receivable on bank balances		-	-	-	15,184,440	15,184,440
Receivable from the Management Company - net		-	-	-	-	-
Sub total		3,547,254,685	2,180,028,389	-	15,184,440	5,742,467,514
Financial liabilities						
Payable to the Management Company		-	-	-	12,318,687	12,318,687
Payable to the Trustee		-	-	-	442,194	442,194
Accrued and other liabilities		-	-	-	1,446,800	1,446,800
Sub total		-	-	-	14,207,681	14,207,681
On-balance sheet gap		3,547,254,685	2,180,028,389	-	976,759	5,728,259,833
Total interest rate sensitivity gap		3,547,254,685	2,180,028,389	-	976,759	5,728,259,833
Cumulative interest rate sensitivity gap		3,547,254,685	5,727,283,074	5,727,283,074		

Particulars	2019					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.35% - 13.15%	83,374,441	-	-	-	83,374,441
Investments		-	-	-	-	-
Profit receivable on bank balances		-	-	-	80,541	80,541
Receivable from the Management Company - net		-	-	-	393,738	393,738
Sub total		83,374,441	-	-	474,279	83,848,720

Particulars	2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
Financial liabilities						
Payable to the Management Company	-	-	-	-	11,223,634	11,223,634
Payable to the Trustee	-	-	-	-	31,512	31,512
Accrued and other liabilities	-	-	-	-	940,597	940,597
Sub total	-	-	-	-	12,195,743	12,195,743
On-balance sheet gap	83,374,441	-	-	-	(11,721,464)	71,652,977
Total interest rate sensitivity gap	83,374,441	-	-	-	(11,721,464)	71,652,977
Cumulative interest rate sensitivity gap	83,374,441	83,374,441	83,374,441			

20.1.3 Price risk

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

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

20.2 Credit risk

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

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

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
----- (Rupees) -----				
Bank balances	2,791,044,515	2,791,044,515	83,374,441	83,374,441
Investments	2,936,238,559	-	-	-
Profit receivable on bank balances	15,184,440	15,184,440	80,541	80,541
Receivable from the Management Company - net	-	-	393,738	393,738
	<u>5,742,467,514</u>	<u>2,806,228,955</u>	<u>83,848,720</u>	<u>83,848,720</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities of Rs 2,936 million (2019: Nil) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Bank Name	Rating agency	Rating (Short Term / Long Term)	2020	2019
			Percentage of total bank balances	
Bank Alfalah Limited	PACRA	A1+ / AA+	0.02%	99.42%
Allied Bank Limited	PACRA	A1+ / AAA	99.98%	0.50%
Bank Al Habib Limited	PACRA	A1+ / AA+	0.00%	0.01%
Zarai Taraqati Bank Limited	VIS	A-1+ / AAA	0.00%	0.07%
Samba Bank Limited	VIS	A-1 / AA	0.00%	0.00%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in Government securities are not exposed to credit risk.

20.3 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	2,791,044,515	-	-	-	2,791,044,515
Investments	-	756,210,170	2,180,028,389	-	2,936,238,559
Profit receivable on bank balances	15,184,440	-	-	-	15,184,440
Receivable from the Management Company - net	-	-	-	-	-
	<u>2,806,228,955</u>	<u>756,210,170</u>	<u>2,180,028,389</u>	<u>-</u>	<u>5,742,467,514</u>
Financial liabilities					
Payable to the Management Company	12,318,687	-	-	-	12,318,687
Payable to the Trustee	442,194	-	-	-	442,194
Accrued and other liabilities	1,446,800	-	-	-	1,446,800
	<u>14,207,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,207,681</u>
Net assets	<u>2,792,021,274</u>	<u>756,210,170</u>	<u>2,180,028,389</u>	<u>-</u>	<u>5,728,259,833</u>

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

20.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2020 and June 30, 2019, the Fund held the following assets measured at fair values:

2020			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
-	2,936,238,559	-	2,936,238,559

2019			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
-	-	-	-

At fair value through profit or loss

Market Treasury Bills

At fair value through profit or loss

Market Treasury Bills

20.5 Unit holders' fund risk management

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

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

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

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

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

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. During the year, the Fund remained below one hundred million rupees on certain days, however the same was complied within the time limit as specified in the NBFC Regulations.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

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

23 GENERAL

23.1 Rounding off

Figures are rounded off to the nearest rupee.

23.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The SECP has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

23.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

24 DATE OF AUTHORISATION FOR ISSUE

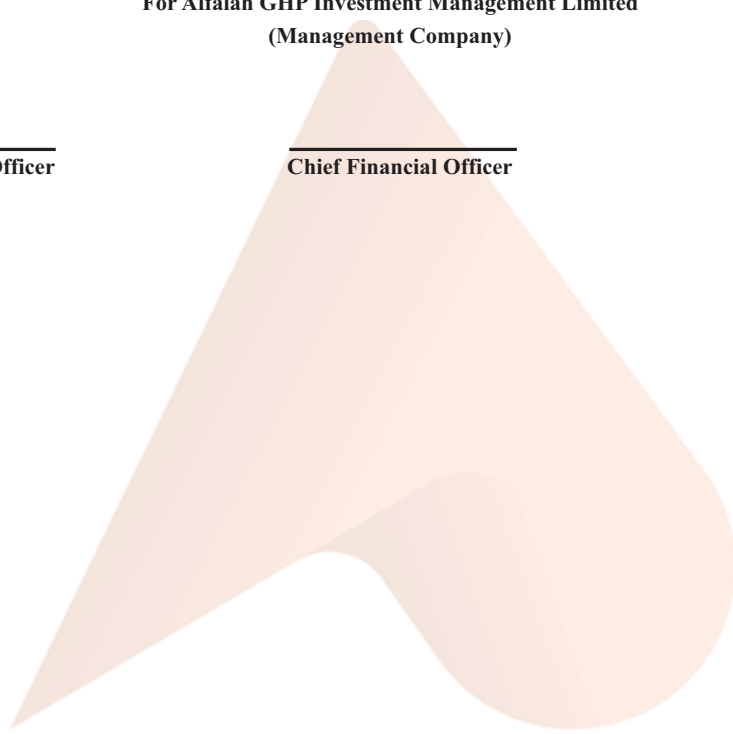
These financial statements were authorised for issue on **August 24, 2020** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director



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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	101	121,832	60,930,000	1%
Associated Co./ Directors	1	17,090	8,540,000	0%
Retirement & Other Funds	9	114,133	57,060,000	1%
Others	15	11,105,272	5,552,380,000	98%
	126	11,358,327	5,678,910,000	100%

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

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Invest One Markets Limited	29
Continental Exchange (Private) Limited	14
Arif Habib Limited	13
Matenta Capital (Private Limited)	7
Summit Capital (Private) Limited	6
Bright Capital (Private) Limited	4
C & M Management (Private) Limited	2
BIPL Securities	2
Paramount Capital (Pvt.) Limited	2
	30 June 2019
	%
Continental Exchange (Pvt.) Limited	54
BIPL Securities	21
Paramount Capital (Pvt.) Limited	15
Summit Capital (Private) Limited	10

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

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

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

PERFORMANCE TABLE - AGCF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	(Rupees in '000)				
Net Assets	5,678,909	69,276	144,838	1,406,240	1,867,649
NAV per unit	499.9776	499.0847	520.1968	496.7470	495.6000
Selling price per unit	504.2149	499.0847	520.1968	496.7470	495.6000
Redemption price per unit	499.9776	499.0847	520.1968	496.7470	495.6000
Highest selling price per unit	544.2103	537.1700	520.1968	530.6400	526.6200
Highest redemption price per unit	539.6369	537.1700	520.1968	530.6400	526.6200
Lowest selling price per unit	499.4200	497.2300	497.0300	495.8500	495.4300
Lowest redemption price per unit	499.2624	497.2300	497.0300	495.8500	495.4300
Total interim distribution per unit	40.55	NIL	NIL	32.84	31.33
Interim distribution date	12-Feb-20	NIL	NIL	22-Jun-17	22-Jun-16
Final distribution per unit	20.07	42.65	23.36	Nil	Nil
Final distribution date	30-Jun-20	30-Jun-19	2-Jul-18	N/A	N/A
Annualized returns %	12.67%	9.03%	4.71%	6.86%	5.17%
Income distribution %	12.15%	8.58%	4.70%	6.62%	6.25%
Weighted avg. portfolio duration (Days)	52.2 weeks	0.001Days	0.48Days	1 Days	17 Days

Return since inception is **8.70 %**

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



**Alfalah GHP
Money Market Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA+ (f) by PACRA

Alfalah GHP Money Market Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Money Market Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review:-

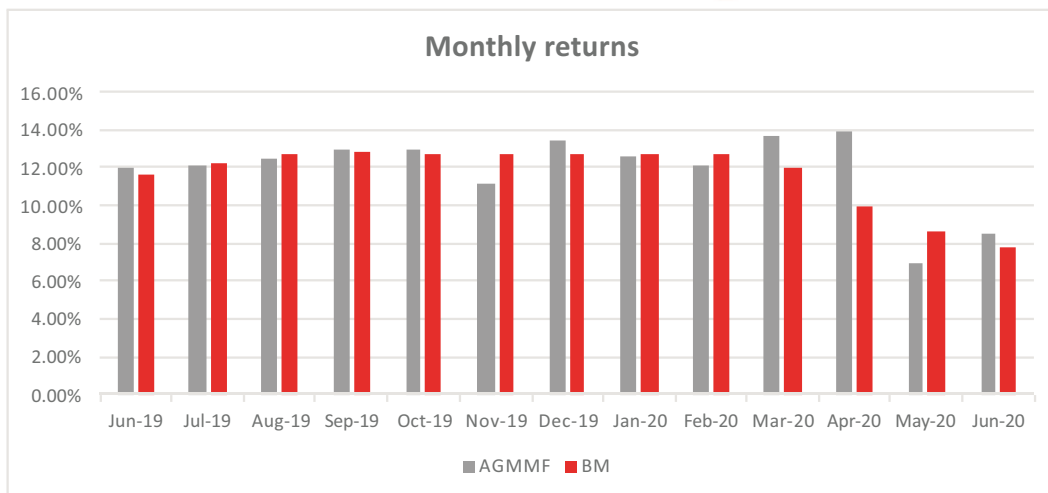
Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

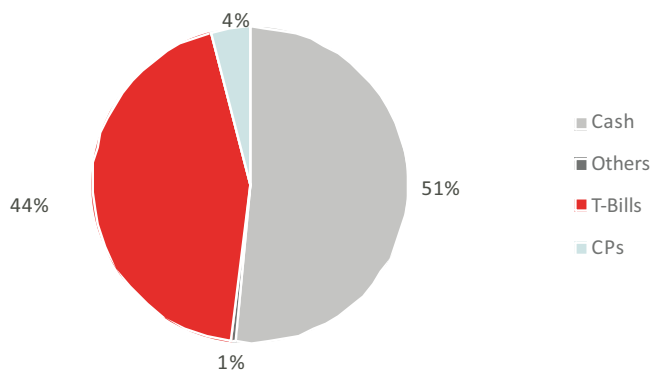
Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

Fund Performance

For the year ended June 30 2020, the fund posted a return of 12.64% against the benchmark of 11.66%. The fund maintained its strategy of parking funds at premium rates and trading in government securities in order to outperform its benchmark.



Asset Allocation
(as at 30 June 2020)



Credit Quality (as % of Total Assets)			
Govt. Guar.	44.02%	A	0.00%
AAA	46.94%	A-	0.00%
AA+	4.48%	BBB+	0.00%
AA	4.07%	BBB	0.00%
AA-	0.00%	Below IG	0.00%
A+	0.00%	NR/UR	0.49%

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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP MONEY MARKET FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Money Market Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

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

A handwritten signature in black ink, appearing to read 'Badiuddin Akber', is written over a horizontal line.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020

INDEPENDENT AUDITOR'S REPORT**To the Unit Holders of Alfalah GHP Money Market Fund
Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Alfalah GHP Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 7,521.09 million and bank balances aggregated to Rs 8,037.74 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Assets			
Bank balances	4	8,037,739,035	16,217,424,788
Investments	5	7,521,085,602	1,810,632,092
Security deposit with the Central Depository Company of Pakistan Limited		100,000	100,000
Profit receivable and prepayment	6	25,086,461	23,882,945
Total assets		<u>15,584,011,098</u>	<u>18,052,039,825</u>
Liabilities			
Payable to the Management Company	7	26,262,625	22,466,025
Payable to the Trustee	8	858,365	1,224,407
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	3,833,044	10,185,165
Accrued and other liabilities	10	90,165,849	42,911,401
Total liabilities		<u>121,119,883</u>	<u>76,786,998</u>
Net assets attributable to the unit holders		<u>15,462,891,215</u>	<u>17,975,252,827</u>
Unit holders' fund (as per the statement attached)		<u>15,462,891,215</u>	<u>17,975,252,827</u>
Contingencies and commitments	11		
		----- (Number of units) -----	
Number of units in issue		<u>157,562,374</u>	<u>183,510,954</u>
		----- (Rupees) -----	
Net asset value per unit		<u>98.1382</u>	<u>97.9519</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Income			
Profit / mark-up income	12	2,482,771,114	1,406,284,863
Unrealised gain on revaluation of investments classified as financial assets at 'fair value through profit or loss' - net	5.7	12,259,613	-
Gain / (loss) on sale of investments - net		<u>19,511,484</u>	<u>(27,018,466)</u>
Total income		<u>2,514,542,211</u>	<u>1,379,266,397</u>
Expenses			
Remuneration of the Management Company	7.1	114,963,393	66,586,525
Sindh sales tax on remuneration of the Management Company	7.2	14,945,241	8,656,248
Remuneration of the Trustee	8.1	12,454,380	10,295,666
Sindh sales tax on remuneration of the Trustee	8.2	1,619,069	1,338,437
Selling and marketing expenses	7.4	6,369,972	-
Annual fee to the Securities and Exchange Commission of Pakistan	9	3,833,044	10,185,165
Legal expenses		145,769	579,510
Brokerage expense and capital value tax		1,149,168	988,975
Bank and settlement charges		198,000	536,644
Auditors' remuneration	13	269,631	270,001
Fees and subscription		552,920	81,569
Printing charges		29,958	70,000
Provision against Sindh Workers' Welfare Fund	10.1	47,159,295	25,593,553
Total expenses		<u>203,689,840</u>	<u>125,182,293</u>
Net income for the year before taxation		<u>2,310,852,371</u>	<u>1,254,084,104</u>
Taxation	15	-	-
Net income for the year after taxation		<u>2,310,852,371</u>	<u>1,254,084,104</u>
Allocation of net income for the year:			
Net income for the year after taxation		2,310,852,371	1,254,084,104
Income already paid on units redeemed		<u>(184,595,122)</u>	<u>(186,080,748)</u>
Accounting income available for distribution		<u>2,126,257,249</u>	<u>1,068,003,356</u>
- Relating to capital gains		26,739,154	-
- Excluding capital gains		<u>2,099,518,095</u>	<u>1,068,003,356</u>
		<u>2,126,257,249</u>	<u>1,068,003,356</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income for the year after taxation	2,310,852,371	1,254,084,104
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>2,310,852,371</u></u>	<u><u>1,254,084,104</u></u>

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



For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP MONEY MARKET FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	17,968,282,648	6,970,179	17,975,252,827	5,066,969,507	84,211,597	5,151,181,104
Issuance of 407,971,008 (2019: 426,625,321) units						
- Capital value (at net asset value per unit at the beginning of the year)	39,961,535,379	-	39,961,535,379	41,560,388,148	-	41,560,388,148
- Element of (loss) / income	184,911,446	-	184,911,446	342,537,886	-	342,537,886
Total proceeds on issuance of units	40,146,446,825	-	40,146,446,825	41,902,926,034	-	41,902,926,034
Redemption of 433,919,588 (2019: 175,826,885) units						
- Capital value (at net asset value per unit at the beginning of the year)	42,503,248,092	-	42,503,248,092	28,567,619,310	-	28,567,619,310
- Element of (income) / loss	41,591,329	184,595,122	226,186,451	86,524,178	186,080,748	272,604,926
Total payments on redemption of units	42,544,839,421	184,595,122	42,729,434,543	28,654,143,488	186,080,748	28,840,224,236
Total comprehensive income for the year	-	2,310,852,371	2,310,852,371	-	1,254,084,104	1,254,084,104
Distributions made (refer note 24)	(140,639,742)	(2,099,586,523)	(2,240,226,265)	(347,469,405)	(1,145,244,774)	(1,492,714,179)
Net assets at the end of the year	15,429,250,310	33,640,905	15,462,891,215	17,968,282,648	6,970,179	17,975,252,827
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		6,970,179			84,211,597	
- Unrealised income / (loss)		-			-	
		<u>6,970,179</u>			<u>84,211,597</u>	
Accounting income available for distribution						
- Relating to capital gains		26,739,154			-	
- Excluding capital gains		<u>2,099,518,095</u>			<u>1,068,003,356</u>	
		2,126,257,249			1,068,003,356	
Total distributions during the year		<u>(2,099,586,523)</u>			<u>(1,145,244,774)</u>	
Undistributed income carried forward		<u>33,640,905</u>			<u>6,970,179</u>	
Undistributed income carried forward						
- Realised income		21,381,292			6,970,179	
- Unrealised income		<u>12,259,613</u>			<u>-</u>	
		<u>33,640,905</u>			<u>6,970,179</u>	
			Rupees			Rupees
Net asset value per unit at the beginning of the year			<u>97.9519</u>			<u>102.7407</u>
Net asset value per unit at the end of the year			<u>98.1382</u>			<u>97.9519</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		2,310,852,371	1,254,084,104
Adjustments for:			
Unrealised gain on revaluation of investments classified as financial assets at 'fair value through profit or loss' - net		(12,259,613)	-
Provision against Sindh Workers' Welfare Fund		47,159,295	25,593,553
		<u>2,345,752,053</u>	<u>1,279,677,657</u>
Increase in assets			
Investments - net		(4,130,154,489)	(463,000,000)
Profit receivable and prepayment		(1,203,516)	(13,584,703)
		(4,131,358,005)	(476,584,703)
(Decrease) / increase in liabilities			
Payable to the Management Company		3,796,600	8,411,769
Payable to the Trustee		(366,042)	826,481
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(6,352,121)	8,168,107
Accrued and other liabilities		95,153	7,979,990
		(2,826,410)	25,386,347
Net cash flows (used in) / generated from operating activities		<u>(1,788,432,362)</u>	<u>828,479,301</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		40,005,807,083	41,555,456,629
Payment made against redemption of units		(42,729,434,543)	(28,840,224,236)
Dividend paid		(2,099,586,523)	(1,145,244,774)
Net cash flows (used in) / generated from financing activities		(4,823,213,983)	11,569,987,619
Net (decrease) / increase in cash and cash equivalents during the year		<u>(6,611,646,345)</u>	<u>12,398,466,920</u>
Cash and cash equivalents at beginning of the year		17,565,056,880	5,166,589,960
Cash and cash equivalents at end of the year	16	<u><u>10,953,410,535</u></u>	<u><u>17,565,056,880</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019 and AA+(f) to the Fund in its credit rating report dated April 17, 2020.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

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

2.5 Accounting Convention

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

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

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

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

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

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.2.1 Impairment loss on debt securities

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

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

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

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

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

3.7 Issue and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

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

3.10 Net asset value per unit

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

3.11 Revenue recognition

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

3.12 Expenses

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

3.13 Earnings / loss per unit

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

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

3.14 Foreign currency translation

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

	Note	2020	2019
		----- (Rupees) -----	
4. BANK BALANCES			
In current account		6,100,010,584	-
In savings account	4.1	<u>1,937,728,451</u>	<u>16,217,424,788</u>
		<u>8,037,739,035</u>	<u>16,217,424,788</u>

4.1 These accounts carry profit rates ranging between 6.50% to 8% (2019: 6.60% to 13.60%) per annum. These include bank balance of Rs. 828.19 million (2019: Rs. 454.25 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 6.50% (2019: 10.25%) per annum.

5. INVESTMENTS

Note	2020	2019
	----- (Rupees) -----	
At fair value through profit or loss		
Market Treasury Bills	5.1	6,866,320,261
Term deposit receipts	5.2	-
Commercial papers	5.3	654,765,341
Sukuk certificates	5.4	-
Pakistan Investment Bonds	5.5	-
Letters of placement	5.6	-

		7,521,085,602

		1,810,632,092

5.1 Market Treasury Bills

Particulars	Note	Face value				Balance as at June 30, 2020			Market value as a percentage of		
		As at July 01, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments	
----- (Rupees) -----										----- (%) -----	
Treasury Bills - 3 Months	5.1.1	-	127,412,095,000	124,462,095,000	2,950,000,000	2,911,760,932	2,915,671,500	3,910,568	18.86%	38.77%	
Treasury Bills - 6 Months	5.1.2	-	24,034,980,000	22,096,980,000	1,938,000,000	1,892,798,622	1,899,246,044	6,447,422	12.28%	25.25%	
Treasury Bills - 12 Months	5.1.3	-	6,767,000,000	4,678,000,000	2,089,000,000	2,049,501,094	2,051,402,717	1,901,623	13.27%	27.28%	
Total as at June 30, 2020		-	158,214,075,000	151,237,075,000	6,977,000,000	6,854,060,648	6,866,320,261	12,259,613	44.41%	91.30%	
Total as at June 30, 2019		-	104,408,100,000	104,408,100,000	-	-	-	-	-	-	

5.1.1 These represent market treasury bills with original maturity of 3 months, having issuance date from April 9, 2020 to June 4, 2020, maturity date from July 2, 2020 to August 27, 2020 and yield of 8% (2019: Nil) per annum.

5.1.2 These represent market treasury bills with original maturity of 6 months, having issuance date from April 9, 2020 to April 23, 2020, maturity date from October 8, 2020 to October 22, 2020 and yield of 7.85% (2019: Nil) per annum.

5.1.3 These represent market treasury bills with original maturity of 12 months, having issuance date from July 18, 2019 to October 10, 2019, maturity date from July 16, 2020 to October 8, 2020 and yield ranging between 7.85% to 8% (2019: Nil) per annum.

5.2 Term deposit receipts

Name of the investee company	Rate of return per annum	Face value				Market value as percentage of		
		As at July 01, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Net assets of the Fund	Total investments	
----- (Rupees) -----							----- (%) -----	
Bank Alfalah Limited (a related party)	13.30%	1,000,000,000	-	1,000,000,000	-	-	-	
Total as at June 30, 2020		1,000,000,000	-	1,000,000,000	-	-	-	
Total as at June 30, 2019		-	6,160,000,000	5,160,000,000	1,000,000,000	5.56%	55.23%	

5.3 Commercial papers

Name of the investee company	Rate of return per annum	Face value				Carrying value	Market value as percentage of		
		As at July 01, 2019	Purchased during the year	Matured during the year	As at June 30, 2020		Net assets of the Fund	Total investments	
----- No. of Certificates -----						----- Rupees -----		----- (%) -----	
Hub Power Company Limited	13.64%	350	25	375	-	-	0.00%	0.00%	
K-Electric Limited	14.64%	-	370	-	370	362,197,054	2.34%	4.82%	
K-Electric Limited	13.64%	-	3,050	2,750	300	292,568,287	1.89%	3.89%	
Total as at June 30, 2020		350	3,445	3,125	670	654,765,341	4.23%	8.71%	
Total as at June 30, 2019		-	350	-	350	347,632,092	1.93%	19.20%	

5.3.1 The nominal value of these commercial papers is Rs 1,000,000 each and will mature by September 10, 2020.

5.4 Sukuk certificate
(Face value of Rs 100,000/- each)

Name of the investee company	Rate of return per annum	Face value				Balance as at June 30, 2020			Market value as percentage of	
		As at July 01, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments
		----- No. of Certificates -----				----- Rupees -----			----- (%) -----	
Hub Power Company Limited	3M Kibor+1%	4,500	80,643	85,143	-	-	-	-	-	
Total as at June 30, 2020		4,500	80,643	85,143	-	-	-	-	-	
Total as at June 30, 2019		-	4,500	-	-	463,000,000	463,000,000	-	25.57%	

5.5 Pakistan Investment Bonds

Name of the investee company	Face value				Balance as at June 30, 2020			Market value as percentage of		
	As at July 01, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total investments	
		----- Rupees -----				----- (%) -----				
Pakistan Investment Bonds - 5 years	-	78,500,000	78,500,000	-	-	-	-	-	-	
Total as at June 30, 2020	-	78,500,000	78,500,000	-	-	-	-	-	-	
Total as at June 30, 2019	-	4,000,000,000	4,000,000,000	-	-	-	-	-	-	

5.6 Letters of placement

Name of the investee company	Rate of return per annum	Face value				Market value as percentage of	
		As at July 01, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Net assets of the Fund	Total investments
		----- Rupees -----				----- (%) -----	
Pak Oman Investment Company Limited	12.60%	-	1,700,000,000	1,700,000,000	-	-	
Pak Oman Investment Company Limited	13.40%	-	1,100,000,000	1,100,000,000	-	-	
Pak Oman Investment Company Limited	13.10%	-	245,000,000	245,000,000	-	-	
Pak Oman Investment Company Limited	13.05%	-	1,400,000,000	1,400,000,000	-	-	
Pak Oman Investment Company Limited	13.15%	-	2,000,000,000	2,000,000,000	-	-	
Pak Oman Investment Company Limited	13.35%	-	1,300,000,000	1,300,000,000	-	-	
Pak Oman Investment Company Limited	13.25%	-	2,000,000,000	2,000,000,000	-	-	
Pak Oman Investment Company Limited	13.00%	-	1,950,000,000	1,950,000,000	-	-	
Pak Oman Investment Company Limited	13.00%	-	450,000,000	450,000,000	-	-	
Pak Oman Investment Company Limited	13.30%	-	1,200,000,000	1,200,000,000	-	-	
Pak Oman Investment Company Limited	13.00%	-	2,000,000,000	2,000,000,000	-	-	
Pak Oman Investment Company Limited	13.40%	-	1,000,000,000	1,000,000,000	-	-	
Pak Oman Investment Company Limited	13.27%	-	2,100,000,000	2,100,000,000	-	-	
Pak Oman Investment Company Limited	13.33%	-	1,550,000,000	1,550,000,000	-	-	
Pak Oman Investment Company Limited	13.25%	-	1,000,000,000	1,000,000,000	-	-	
Pak Oman Investment Company Limited	13.30%	-	450,000,000	450,000,000	-	-	
Pak Oman Investment Company Limited	13.00%	-	300,000,000	300,000,000	-	-	
Pak Oman Investment Company Limited	13.10%	-	500,000,000	500,000,000	-	-	
Pak Oman Investment Company Limited	8.80%	-	1,900,000,000	1,900,000,000	-	-	
Pak Oman Investment Company Limited	8.50%	-	225,000,000	225,000,000	-	-	
Pak Oman Investment Company Limited	9.00%	-	1,450,000,000	1,450,000,000	-	-	
Pak Oman Investment Company Limited	8.00%	-	500,000,000	500,000,000	-	-	
Pak Oman Investment Company Limited	8.15%	-	1,400,000,000	1,400,000,000	-	-	
Pak Oman Investment Company Limited	8.15%	-	550,000,000	550,000,000	-	-	
Pak Oman Investment Company Limited	8.05%	-	300,000,000	300,000,000	-	-	
Pak Oman Investment Company Limited	8.05%	-	1,350,000,000	1,350,000,000	-	-	

Name of the investee company	Rate of return per annum	Face value				Market value as percentage of	
		As at July 01, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Net assets of the Fund	Total investments
		Rupees				(%)	
Pak Brunei Investment Company Limited	12.60%	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	12.60%	-	750,000,000	750,000,000	-	-	-
Pak Brunei Investment Company Limited	13.40%	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	13.40%	-	900,000,000	900,000,000	-	-	-
Pak Brunei Investment Company Limited	13.30%	-	400,000,000	400,000,000	-	-	-
Pak Brunei Investment Company Limited	13.35%	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	13.35%	-	900,000,000	900,000,000	-	-	-
Pak Brunei Investment Company Limited	12.95%	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	12.95%	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	13.25%	-	2,000,000,000	2,000,000,000	-	-	-
Pak Brunei Investment Company Limited	13.25%	-	1,000,000,000	1,000,000,000	-	-	-
Pak Brunei Investment Company Limited	13.25%	-	600,000,000	600,000,000	-	-	-
Zarai Taraqati Bank Limited	12.60%	-	1,700,000,000	1,700,000,000	-	-	-
Zarai Taraqati Bank Limited	13.75%	-	1,000,000,000	1,000,000,000	-	-	-
Zarai Taraqati Bank Limited	13.28%	-	1,000,000,000	1,000,000,000	-	-	-
Zarai Taraqati Bank Limited	13.30%	-	400,000,000	400,000,000	-	-	-
Zarai Taraqati Bank Limited	13.25%	-	220,000,000	220,000,000	-	-	-
Habib Bank Limited	13.25%	-	1,400,000,000	1,400,000,000	-	-	-
Habib Bank Limited	9.00%	-	800,000,000	800,000,000	-	-	-
Habib Bank Limited	7.90%	-	470,000,000	470,000,000	-	-	-
Pak China Investment Company Limited	13.00%	-	2,000,000,000	2,000,000,000	-	-	-
Pak China Investment Company Limited	13.50%	-	2,000,000,000	2,000,000,000	-	-	-
Pak China Investment Company Limited	11.35%	-	500,000,000	500,000,000	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	9.20%	-	1,450,000,000	1,450,000,000	-	-	-
Total as at June 30, 2020		-	54,410,000,000	54,410,000,000	-	-	-
Total as at June 30, 2019		-	59,811,000,000	59,811,000,000	-	-	-

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
5.7 Unrealised gain on revaluation of investments classified as financial assets at 'fair value through profit or loss' - net			
Market value of investments		7,521,085,602	1,810,632,092
Less: Carrying value of investments		<u>7,508,825,989</u>	<u>(1,810,632,092)</u>
		<u>12,259,613</u>	<u>-</u>
6. PROFIT RECEIVABLE & PREPAYMENT			
Profit receivable on:			
Sukuk certificates		-	13,701,555
Bank balances	6.1	24,848,780	5,444,407
Term deposit receipts		-	4,736,983
Prepaid credit rating fee		<u>237,681</u>	<u>-</u>
		<u>25,086,461</u>	<u>23,882,945</u>

6.1 This includes accrued profit of Rs Nil (2019: Rs 0.36 million) on balance maintained with Bank Alfalah Limited (a related party).

7. PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	7.1	7,095,312	9,075,342
Sindh sales tax payable on management remuneration	7.2	1,491,713	1,749,117
Federal excise duty payable on management remuneration	7.3	11,119,352	11,119,352
Selling and marketing expenses	7.4	6,369,972	-
Sales load payable		<u>186,276</u>	<u>522,214</u>
		<u>26,262,625</u>	<u>22,466,025</u>

- 7.1 During the year, the Management Company has charged remuneration at the rate of 0.6% of average annual net assets of the Fund, calculated on a daily basis (2019: at the rate of 7.5% of the gross earnings of the Fund from July 1, 2018 to September 5, 2018, at the rate of 0.45% of average annual net assets of the Fund from September 6, 2018 to May 12, 2019 and at the rate of 0.6% of average annual net assets of the Fund from May 13, 2019 to June 30, 2019). The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the year, an amount of Rs. 14.945 million (2019: Rs. 8.656 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 15.202 million (2019: Rs. 7.748 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 11.119 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.07 (2019: Re 0.06) per unit.

- 7.4 The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

	Note	2020	2019
----- (Rupees) -----			
8. PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	8.1	758,739	1,082,670
Sindh sales tax payable on trustee remuneration	8.2	99,626	141,737
		858,365	1,224,407

- 8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate 0.065% per annum of net assets of the Fund. During 2019, the Trustee had charged remuneration as follows:

Net Assets (Rs.)	Fee
- Up to Rs. 1 billion	0.15% per annum (p.a.) of net assets
- Rs 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% p.a. of net assets exceeding Rs 1 billion
- Over Rs. 10 billion	Rs 8.25 million plus 0.06% p.a. of net assets exceeding Rs 10 billion

- 8.2 During the year, an amount of Rs. 1.619 million (2019: Rs. 1.338 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.661 million (2019: Rs. 1.243 million) was paid to the Trustee which acts as a collecting agent.

	Note	2020	2019
----- (Rupees) -----			
9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable to the SECP	9.1	3,833,044	10,185,165

- 9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2019: 0.075%) of the average annual net assets of the Fund.

	Note	2020	2019
----- (Rupees) -----			
10. ACCRUED AND OTHER LIABILITIES			
Provision against Sindh Workers' Welfare Fund (SWWF)	10.1	77,150,621	29,991,326
Sales load payable		9,681,854	2,324,014
Withholding tax		1,169,366	1,302,296
Capital gain tax		1,089,186	4,952,057
Brokerage and settlement charges		751,407	430,535
Auditors' remuneration		202,790	155,315
Printing charges		95,519	82,449
Zakat payable		25,106	-
Rating fee payable		-	138,824
Other payables		-	3,534,585
		<u>90,165,849</u>	<u>42,911,401</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2020 would have been higher by Re. 0.49 (2019: Re. 0.16) per unit.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2020.

	2020	2019
----- (Rupees) -----		
12. PROFIT / MARK-UP INCOME		
Profit / mark-up income on:		
- Market Treasury Bills	1,238,298,961	385,823,900
- Pakistan Investment Bonds	2,898,373	-
- Letters of placement	196,301,657	222,176,675
- Term deposit receipts	11,295,890	39,052,740
- Commercial papers	29,721,421	7,780,164
- Sukuk certificates	35,810,594	13,588,099
- Bank balances	968,444,218	737,863,285
	<u>2,482,771,114</u>	<u>1,406,284,863</u>

13. AUDITORS' REMUNERATION

Audit fee	120,000	120,000
Review and other certifications	105,000	105,000
Out of pocket expenses	27,756	28,126
Sindh sales tax	16,875	16,875
	<u>269,631</u>	<u>270,001</u>

14. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 1.06% which includes 0.35% representing government levies on the Fund such as provision against Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

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

Since the management company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements.

16. CASH AND CASH EQUIVALENTS

	2020	2019
	----- (Rupees) -----	
Bank balances	8,037,739,035	16,217,424,788
Market Treasury Bills (with original maturity of three months)	2,915,671,500	-
Commercial papers - with original maturity of 3 months or less	-	347,632,092
Term deposit receipts - with original maturity of 3 months or less	-	1,000,000,000
	<u>10,953,410,535</u>	<u>17,565,056,880</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

17.1 Unit Holders' Fund

Note	2020					2019					
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020	
	----- (Units) -----					----- (Rupees) -----					
Associated companies / undertakings											
Alfalah GHP Investment Management Limited	17.1.1	-	4,902,615	480,936	-	5,383,551	-	481,993,523	47,108,481	-	528,332,005
Alfalah GHP Prosperity Planning Fund	17.1.1	643,980	1,559,705	-	1,698,603	505,081	63,079,065	153,837,600	-	167,500,000	49,567,843
Key management personnel											
Chief Executive Officer	17.1.1	20,376	20,384	2,815	-	43,575	1,995,868	2,004,320	275,713	-	4,276,372
Chief Operating Officer	17.1.1	15,187	7	470	15,662	2	1,487,596	665	46,030	1,538,805	196
Chief Financial Officer	17.1.1	2	7,620	744	-	8,366	196	750,000	72,841	-	821,024
Head of Operation	17.1.1	2,420	-	283	-	2,703	237,044	-	27,726	-	265,268
Head of Compliance	17.1.1	5	7,071	156	-	7,232	490	700,000	15,299	-	709,735
Head of Administration	17.1.1	-	1,316	11	1,327	-	-	130,012	1,106	131,486	-
Head of Corporate Sales	17.1.1	11,647	16,837	1,027	9,337	20,174	1,140,846	1,651,960	100,597	917,000	1,979,840
Vice President - Portfolio Department	17.1.1	8,037	1,532	211	9,780	-	787,239	150,556	20,705	965,890	-
Vice President - Investor Service Department	17.1.1	1	-	-	-	1	98	-	-	-	98
Unit holder holding 10% or more units											
Fauji Fertilizer Company Limited	17.1.1	38,402,242	27,572,251	4,770,082	52,661,901	18,082,674	3,761,572,568	2,713,000,000	467,238,610	5,188,705,198	1,774,601,078

2019										
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
(Units)					(Rupees)					
Associated companies / undertakings										
Alfalah GHP Investment Management Limited	2,772,188	919,486	333,191	4,024,865	-	284,816,536	90,075,010	32,543,032	396,797,874	-
Alfalah GHP Prosperity Planning Fund	1,968,385	5,496,121	219,578	7,040,104	643,980	202,233,253	538,100,000	21,421,704	689,359,874	63,079,065
Key management personnel										
Chief executive officer	14,778	57,685	1,628	53,715	20,376	1,518,302	5,676,119	158,964	5,302,169	1,995,868
Chief Operating officer	1,461	15,268	202	1,744	15,187	150,104	1,510,771	19,798	170,567	1,487,596
Chief Financial Officer	1,522	2	81	1,603	2	156,371	168	7,909	157,879	196
Head of Administration	-	5,158	-	5,158	-	-	504,890	-	505,388	-
Head of Operation	2,152	3	265	-	2,420	221,098	273	25,897	-	237,044
Head of Compliance	101	-	6	102	5	10,377	-	555	10,000	490
Head of Corporate Sales	9,927	13,489	967	12,736	11,647	1,019,860	1,330,160	94,413	1,250,000	1,140,846
Head of Human Resources	892	409	73	1,374	-	91,645	40,062	7,118	134,546	-
Vice President - Portfolio Department	2,022	9,410	269	3,664	8,037	207,695	925,000	26,299	360,000	787,239
Vice President - Investor Service Department	361	1	20	381	1	37,152	97	1,879	37,309	98
Unit holder holding 10% or more units										
Fauji Fertilizer Company Limited	-	72,600,333	1,489,097	35,687,188	38,402,242	-	7,131,000,000	145,794,158	3,495,836,777	3,761,572,568

17.1.1 This reflects the position of related party / conneced persons status as at June 30, 2020.

17.2 Other transactions

	2020	2019
	(Rupees)	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	114,963,393	66,586,525
Sindh sales tax on remuneration of the Management Company	14,945,241	8,656,248
Selling and marketing expenses	6,369,972	-
Sales load	1,221,583	2,541,937
Alfalah GHP Income Multiplier Fund		
Market Treasury Bills - purchased	315,385,805	19,838,540
Market Treasury Bills - sold	99,477,630	19,588,640
Sukuk certificates - purchased	-	5,000,000
Alfalah GHP Sovereign Fund		
Market Treasury Bills - purchased	3,408,380,365	1,409,584,000
Market Treasury Bills - sold	2,030,275,840	2,782,686,690
Alfalah GHP Capital Preservation Fund II		
Market Treasury Bills - purchased	2,531,113,105	39,685,000
Market Treasury Bills - sold	717,914,880	933,722,940
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	1,310,820,028	4,986,940
Market Treasury Bills - sold	4,161,363,750	1,966,320
Alfalah GHP Income Fund		
Market Treasury Bills - purchased	993,020,542	23,806,248
Market Treasury Bills - sold	467,214,302	23,524,628
Sukuk certificates - purchased	2,000,000	-
Alfalah GHP Islamic Value Fund		
Sukuk certificates - purchased	-	8,000,000

	2020	2019
	----- (Rupees) -----	
Alfalsh GHP Value Fund		
Market Treasury Bills - purchased	170,496,590	-
Market Treasury Bills - sold	9,953,560	-
Alfalsh GHP Islamic Income Fund		
Sukuk certificates - purchased	395,000,000	-
Bank Alfalah Limited		
Profit on bank balances	114,236,464	194,295,656
Profit on term deposit receipts	11,295,890	20,947,397
Bank charges	198,000	447,924
Term deposit receipts - matured	1,000,000,000	2,260,000,000
Market Treasury Bills - purchased	3,917,374,130	-
Sales load	28,846,724	15,446,449
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	12,454,380	10,295,666
Sindh sales tax on remuneration of the Trustee	1,619,069	1,338,437
17.3 Other balances		
Associated companies / undertakings		
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	7,095,312	9,075,342
Sindh sales tax payable on management remuneration	1,491,713	1,749,117
Federal excise duty payable on management remuneration	11,119,352	11,119,352
Selling and marketing expenses	6,369,972	-
Sales load payable	186,276	522,214
Bank Alfalah Limited		
Bank balance	828,194,595	454,249,092
Profit receivable	-	359,564
Sales load payable	9,681,854	2,324,014
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	758,739	1,082,670
Sindh sales tax payable on trustee remuneration	99,626	141,737

18. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	8,037,739,035	-	8,037,739,035
Investments	-	7,521,085,602	7,521,085,602
Security deposit	100,000	-	100,000
Profit receivable	24,848,780	-	24,848,780
	<u>8,062,687,815</u>	<u>7,521,085,602</u>	<u>15,583,773,417</u>

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	26,262,625	-	26,262,625
Payable to the Trustee	858,365	-	858,365
Accrued and other liabilities	10,756,676	-	10,756,676
	<u>37,877,666</u>	<u>-</u>	<u>37,877,666</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	16,217,424,788	-	16,217,424,788
Investments	-	1,810,632,092	1,810,632,092
Security deposit	100,000	-	100,000
Profit receivable	23,882,945	-	23,882,945
	<u>16,241,407,733</u>	<u>1,810,632,092</u>	<u>18,052,039,825</u>
Financial liabilities			
Payable to the Management Company	22,466,025	-	22,466,025
Payable to the Trustee	1,224,407	-	1,224,407
Accrued and other liabilities	6,665,722	-	6,665,722
	<u>30,356,154</u>	<u>-</u>	<u>30,356,154</u>

19. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

	2020	2019
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	8,037,739,035	16,217,424,788
Sukuk certificates	-	463,000,000
	<u>8,037,739,035</u>	<u>16,680,424,788</u>
Fixed rate instruments (financial assets)		
Market Treasury Bills	6,866,320,261	-
Term deposit receipts	-	1,000,000,000
Commercial papers	654,765,341	347,632,092
	<u>7,521,085,602</u>	<u>1,347,632,092</u>

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

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.25 million (2019: Rs 0.19 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

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

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs. 68.86 million (2019: Rs. 0.05 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	2020					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.5% - 8%	8,037,739,035	-	-	-	8,037,739,035
Investments	7.9% - 14.64%	3,570,436,841	3,950,648,761	-	-	7,521,085,602
Profit receivable		-	-	-	24,848,780	24,848,780
Security deposit		-	-	-	100,000	100,000
Sub total		11,608,175,876	3,950,648,761	-	24,948,780	15,583,773,417
Financial liabilities						
Payable to the Management Company		-	-	-	26,262,625	26,262,625
Payable to the Trustee		-	-	-	858,365	858,365
Accrued and other liabilities		-	-	-	10,756,676	10,756,676
Sub total		-	-	-	37,877,666	37,877,666
On-balance sheet gap		11,608,175,876	3,950,648,761	-	(12,928,886)	15,545,895,751
Total interest rate sensitivity gap		11,608,175,876	3,950,648,761	-	(12,928,886)	15,545,895,751
Cumulative interest rate sensitivity gap		11,608,175,876	15,558,824,637	15,558,824,637		

Particulars	2019					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.6% - 13.6%	16,217,424,788	-	-	-	16,217,424,788
Investments	7.6% - 13.3%	1,810,632,092	-	-	-	1,810,632,092
Profit receivable		-	-	-	23,882,945	23,882,945
Security deposits		-	-	-	100,000	100,000
Sub total		18,028,056,880	-	-	23,982,945	18,052,039,825

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

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

Financial liabilities

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

On-balance sheet gap

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

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

18,028,056,880	18,028,056,880	18,028,056,880		
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19.1.3 Price risk

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

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

19.2 Credit risk

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

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure

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

Bank balances	8,037,739,035	8,037,739,035	16,217,424,788	16,217,424,788
Investments	7,521,085,602	654,765,341	1,810,632,092	1,810,632,092
Profit receivable	24,848,780	24,848,780	23,882,945	23,882,945
Security deposit	100,000	100,000	100,000	100,000
	<u>15,583,773,417</u>	<u>8,717,453,156</u>	<u>18,052,039,825</u>	<u>18,052,039,825</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities of Rs 6,866 million (2019: Nil) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

19.2.2 Bank balances

The Fund held bank balances as at June 30, 2020 with banks having following credit ratings:

Bank	Rating agency	Rating (Short Term / Long Term)	2020	2019
			Percentage of total bank balance	
Allied Bank Limited	PACRA	A1+ / AAA	87.65%	50.00%
Bank Al Habib Limited	PACRA	A1+ / AA+	0.00%	0.00%
Bank Alfalah Limited	PACRA	A1+ / AA+	10.30%	3.00%
Habib Bank Limited	VIS	A-1+ / AAA	0.03%	47.00%
Habib Metropolitan Bank Limited	PACRA	A1+ / AA+	1.87%	0.00%
MCB Bank Limited	PACRA	A1+ / AAA	0.05%	0.00%
National Bank of Pakistan	PACRA	A-1+ / AAA	0.00%	0.00%
Samba Bank Limited	VIS	A-1 / AA	0.00%	0.00%
Zarai Taraqiati Bank Limited	VIS	A-1+ / AAA	0.01%	0.00%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	0.09%	0.00%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

19.2.3 Concentration of credit risk

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

	2020		2019	
	Rupees	%	Rupees	%
Commercial banks (including TDR and profit receivable)	8,062,587,815	92.49%	17,227,606,178	95.43%
Power generation and distribution - sukuk certificates (including profit receivable)	-	-	476,701,555	2.64%
Power generation and distribution - commercial papers (including profit receivable)	654,765,341	7.51%	347,632,092	1.93%
Central Depository Company of Pakistan Limited	100,000	-	100,000	-
	<u>8,717,453,156</u>	<u>100.00%</u>	<u>18,052,039,825</u>	<u>100.00%</u>

19.3 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	8,037,739,035	-	-	-	8,037,739,035
Investments	-	3,570,436,841	3,950,648,761	-	7,521,085,602
Profit receivable	24,848,780	-	-	-	24,848,780
Security deposits	100,000	-	-	-	100,000
	8,062,687,815	3,570,436,841	3,950,648,761	-	15,583,773,417
Financial liabilities					
Payable to the Management Company	26,262,625	-	-	-	26,262,625
Payable to the Trustee	858,365	-	-	-	858,365
Accrued and other liabilities	10,756,676	-	-	-	10,756,676
	37,877,666	-	-	-	37,877,666
Net assets	8,024,810,149	3,570,436,841	3,950,648,761	-	15,545,895,751

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	16,217,424,788	-	-	-	16,217,424,788
Investments	1,347,632,092	463,000,000	-	-	1,810,632,092
Profit receivable	23,882,945	-	-	-	23,882,945
Security deposits	100,000	-	-	-	100,000
	17,589,039,825	463,000,000	-	-	18,052,039,825
Financial liabilities					
Payable to the Management Company	22,466,025	-	-	-	22,466,025
Payable to the Trustee	1,224,407	-	-	-	1,224,407
Accrued and other liabilities	6,665,722	-	-	-	6,665,722
	30,356,154	-	-	-	30,356,154
Net assets	17,558,683,671	463,000,000	-	-	18,021,683,671

19.4 Fair Value Measurement

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

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

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

Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2020 and June 30, 2019, the Fund held the following assets measured at fair values:

2020			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Market Treasury Bills	6,866,320,261	-	6,866,320,261
Term deposit receipts*	-	-	-
Commercial papers**	654,765,341	-	654,765,341
Sukuk certificates**	-	-	-
	7,521,085,602	-	7,521,085,602
----- (Rupees) -----			
2019			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
Market Treasury Bills	-	-	-
Term deposit receipts*	1,000,000,000	-	1,000,000,000
Commercial papers**	347,632,092	-	347,632,092
Sukuk certificates**	463,000,000	-	463,000,000
	1,810,632,092	-	1,810,632,092

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

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

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit Holders' Fund Risk Management

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

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

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

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

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

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

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

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

21. CORRESPONDING FIGURES

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

22. GENERAL

22.1 Rounding off

Figures are rounded off to the nearest rupee.

22.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The SECP has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

22.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

23. DISTRIBUTIONS MADE

Particulars	Date of distribution	Per unit distribution	Capital value	Undistributed income
Final distribution for the year ended June 30, 2018	2-Jul-18	5.3241	183,027,425	83,910,699
1st interim distribution for the year ended June 30, 2019	28-Sep-18	1.4682	13,741,109	49,167,593
2nd interim distribution for the year ended June 30, 2019	26-Oct-18	0.5335	48,113,662	90,541,165
3rd interim distribution for the year ended June 30, 2019	29-Nov-18	0.6324	10,715,201	70,574,501
4th interim distribution for the year ended June 30, 2019	27-Dec-18	0.6101	9,011,895	73,471,330
5th interim distribution for the year ended June 30, 2019	29-Jan-19	0.7672	22,359,499	91,979,676

Particulars	Date of distribution	Per unit distribution	Capital value	Undistributed income
6th interim distribution for the year ended June 30, 2019	27-Feb-19	0.6476	11,314,608	104,933,733
7th interim distribution for the year ended June 30, 2019	29-Mar-19	0.7472	7,771,534	130,147,586
8th interim distribution for the year ended June 30, 2019	29-Apr-19	0.6853	8,952,931	121,796,072
9th interim distribution for the year ended June 30, 2019	31-Mar-19	0.7794	12,271,090	131,023,130
Final distribution for the year ended June 30, 2019	30-Jun-19	1.2000	20,190,451	197,699,289
For the year ended June 30, 2019			347,469,405	1,145,244,774
1st interim distribution for the year ended June 30, 2020	26-Jul-19	0.8419	11,955,821	158,677,060
2nd interim distribution for the year ended June 30, 2020	29-Aug-19	1.1416	14,165,023	215,742,270
3rd interim distribution for the year ended June 30, 2020	26-Sep-19	0.9671	5,590,102	187,329,289
4th interim distribution for the year ended June 30, 2020	25-Oct-19	1.0285	9,382,795	193,193,189
5th interim distribution for the year ended June 30, 2020	28-Nov-19	1.0306	9,657,447	194,556,741
6th interim distribution for the year ended June 30, 2020	26-Dec-19	1.0043	21,346,198	187,549,407
7th interim distribution for the year ended June 30, 2020	30-Jan-20	1.2027	12,712,423	241,483,249
8th interim distribution for the year ended June 30, 2020	27-Feb-20	0.9137	5,146,203	172,847,841
9th interim distribution for the year ended June 30, 2020	27-Mar-20	1.0632	5,283,608	194,261,160
10th interim distribution for the year ended June 30, 2020	29-Apr-20	1.2266	25,438,767	206,539,681
11th interim distribution for the year ended June 30, 2020	29-May-20	0.5758	15,749,290	73,537,950
12th interim distribution for the year ended June 30, 2020	24-Jun-20	0.5381	4,212,065	73,868,686
For the year ended June 30, 2020			140,639,742	2,099,586,523

24. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 24, 2020** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	2,308	76,606,171	7,517,991,215	49%
Associated Co./ Directors	3	5,484,309	538,220,000	3%
Insurance Co.	-	-	-	0%
Banks/ DFIs	6	648,131	63,610,000	0%
Retirement & Other Funds	35	3,938,210	386,490,000	2%
Others	73	70,885,552	6,956,580,000	45%
	2425	157,562,373	15,462,891,215	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1,867	54,297,793	5,318,570,652	34%
Associated Co./ Directors	1	20,601	2,019,246	0%
Insurance Co.	1	10,066	985,947	0%
Banks/ DFIs	4	4,252,581	416,548,402	3%
Retirement & Other Funds	45	7,482,707	732,945,360	5%
Others	63	117,447,206	11,504,183,221	75%
	1981	183,510,954	17,975,252,827	116%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Vector Capital (Pvt.) Limited	22
Invest One Markets Limited	18
Bright Capital Private Limited	18
Magenta Capital Private Limited	18
Continental Exchange (Pvt) Limited	7
JS Global Capital Limited	5
BIPL Securities Limited	5
Summit Capital (Pvt) Limited	3
BMA Capital Management Limited	1
Paramount Capital (Pvt) Limited	1
	30 June 2019
	%
Bright Capital Private Limited	41
Paramount Capital (Pvt) Limited	13
Magenta Capital Private Limited	11
Continental Exchange (Pvt) Limited	9
Invest One Markets Limited	8
BIPL Securities Limited	6
C & M Management Limited	5
Vector Capital (Pvt.) Limited	3
Summit Capital (Pvt) Limited	1
JS Global Capital Limited	1

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

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

PERFORMANCE TABLE - AGHPMMF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	(Rupees in '000)				
Net Assets	15,462,891	17,975,253	5,151,181	1,240,143	3,850,040
NAV per unit	98.1382	97.9519	102.7407	97.4166	98.2198
Selling price per unit	99.2472	99.0588	103.9017	98.5174	99.5187
Redemption price per unit	98.1382	97.9519	102.7407	97.4166	98.2198
Highest selling price per unit	100.2992	100.1671	103.8842	104.9178	107.5894
Highest redemption price per unit	99.1785	99.0479	102.7407	103.7455	106.1852
Lowest selling price per unit	99.0781	98.6027	98.5988	98.5174	99.4854
Lowest redemption price per unit	97.9711	97.5009	97.4971	97.4166	98.1870
1st interim distribution per unit	0.8419	1.4682	-	6.3483	8.0288
1st interim distribution date	26-Jul-19	28-Sep-18	-	16-Jun-17	22-Jun-16
2nd interim distribution per unit	1.1416	0-Jan-00	N/A	N/A	N/A
2nd interim distribution date	29-Aug-19	26-Oct-18	N/A	N/A	N/A
3rd interim distribution per unit	0.9671	0-Jan-00	N/A	N/A	N/A
3rd interim distribution date	26-Sep-19	29-Nov-18	N/A	N/A	N/A
4th interim distribution per unit	1.0285	0-Jan-00	N/A	N/A	N/A
4th interim distribution date	25-Oct-19	27-Dec-18	N/A	N/A	N/A
5th interim distribution per unit	1.0306	0-Jan-00	N/A	N/A	N/A
5th interim distribution date	28-Nov-19	29-Jan-19	N/A	N/A	N/A
6th interim distribution per unit	1.0043	0-Jan-00	N/A	N/A	N/A
6th interim distribution date	26-Dec-19	27-Feb-19	N/A	N/A	N/A
7th interim distribution per unit	1.2027	0-Jan-00	N/A	N/A	N/A
7th interim distribution date	30-Jan-20	29-Mar-19	N/A	N/A	N/A
8th interim distribution per unit	0.9137	0-Jan-00	N/A	N/A	N/A
8th interim distribution date	27-Feb-20	29-Apr-19	N/A	N/A	N/A
9th interim distribution per unit	1.0632	0-Jan-00	N/A	N/A	N/A
9th interim distribution date	27-Mar-20	31-May-19	N/A	N/A	N/A
10th interim distribution per unit	1.2266	1.2000	5.3241	Nil	Nil
10th interim distribution date	29-Apr-20	30-Jun-19	2-Jul-18	N/A	N/A
11th interim distribution per unit	0.5758	N/A	N/A	N/A	N/A
11th interim distribution date	29-May-20	N/A	N/A	N/A	N/A
12th interim distribution per unit	0.5381	N/A	N/A	N/A	N/A
12th interim distribution date	24-Jun-20	N/A	N/A	N/A	N/A
Annualized returns %	12.64%	9.15%	5.46%	5.65%	5.37%
Income distribution %	11.78%	7.86%	5.47%	6.46%	7.96%
Weighted avg. portfolio duration (Days)	40 Days	6 Day	1 Day	4 Days	13 Days

Return since inception is **8.82%**

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



Alfalah
Ghp Sovereign Fund

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	AA-(f) by PACRA

Alfalah GHP Sovereign Fund

Annual Fund Manager's Report

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

Investment Objective

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

Accomplishment of Objective

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

Money Market Review:-

Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

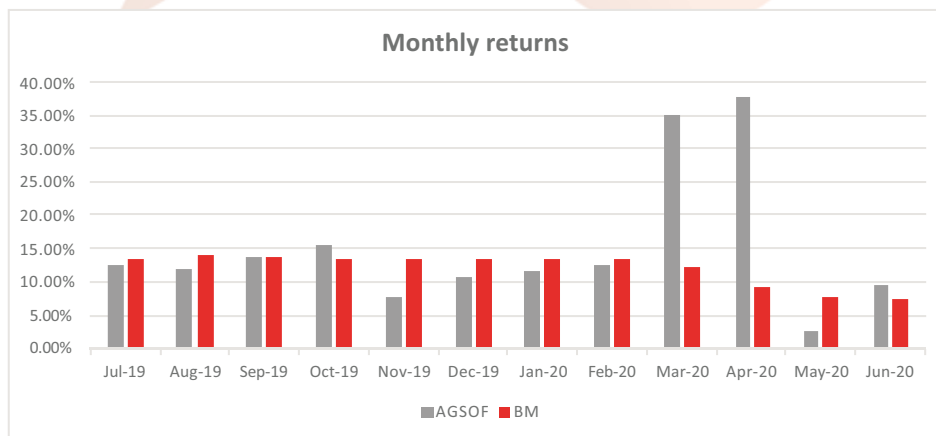
The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

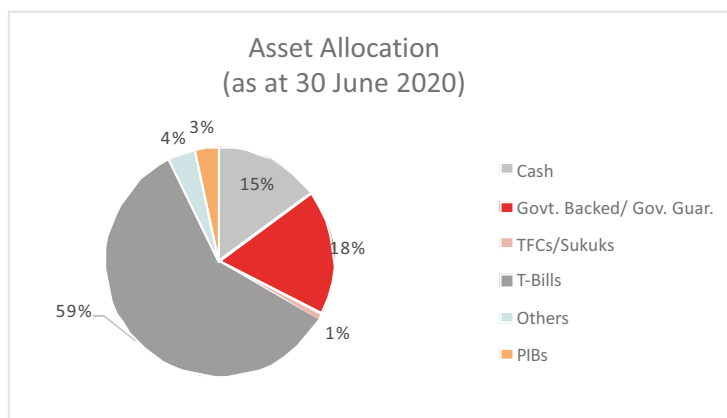
Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

Fund Performance

For the year ended June 30 2020, the fund posted a return of 16.16% against the benchmark of 12.08%. The fund maintained a balanced portfolio in higher duration government securities and deposits with higher credit rating bank deposits/placements in order to outperform the benchmark returns.

Assets Allocation/Portfolio quality





Credit Quality (as % of Total Assets)			
Govt. Secs / Guar	80.62%	A	0.00%
AAA	0.17%	A-	0.00%
AA+	15.11%	BBB+	0.00%
AA	0.00%	BBB	0.00%
AA-	0.26%	Below IG	0.00%
A+	0.00%	NR/UR/MTS	3.83%

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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP SOVEREIGN FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Sovereign Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020

INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Sovereign Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Sovereign Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 1,223.49 million and bank balances aggregated to Rs 216.82 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and ▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Assets			
Bank balances	4	216,821,949	433,838,373
Investments	5	1,223,492,599	712,522,334
Advances, prepayments and mark-up receivable	6	8,481,107	13,025,160
Receivable against sale of investments		47,483,000	46,019,662
Total assets		<u>1,496,278,655</u>	<u>1,205,405,529</u>
Liabilities			
Payable to the Management Company	7	24,868,613	23,906,029
Payable to the Trustee	8	104,124	99,243
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	9	187,759	644,138
Payable against purchase of investments		-	220,059,656
Dividend payable		9,926,568	-
Accrued expenses and other liabilities	10	32,477,845	17,047,708
Total liabilities		<u>67,564,909</u>	<u>261,756,774</u>
Net assets attributable to the unit holders		<u>1,428,713,746</u>	<u>943,648,755</u>
Unit holders' fund (as per the statement attached)		<u>1,428,713,746</u>	<u>943,648,755</u>
Contingencies and commitments			
	11	----- (Number of units) -----	
Number of units in issue		<u>13,393,619</u>	<u>8,874,972</u>
		----- (Rupees) -----	
Net asset value per unit		<u>106.6712</u>	<u>106.3270</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
Income			
Profit / mark up income	12	114,220,400	88,330,528
Gain / (loss) on sale of investments - net		31,213,835	(2,949,614)
Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	17,832,978	(2,304,121)
Other income		198,088	51,661
Total income		<u>163,465,301</u>	<u>83,128,454</u>
Expenses			
Remuneration of the Management Company	7.1	10,080,360	8,439,532
Sindh sales tax on remuneration of the Management Company	7.2	1,310,445	1,094,698
Remuneration of the Trustee	8.1	616,829	1,269,870
Sindh sales tax on remuneration of the Trustee	8.2	80,191	165,085
Annual fee to Securities and Exchange Commission of Pakistan	9.1	187,759	644,138
Brokerage expense		411,850	172,933
Bank and settlement charges		212,340	423,902
Auditors' remuneration	13	340,746	339,921
Annual listing fee		27,450	27,402
Annual rating fee		518,724	338,803
Printing charges		30,012	70,005
Allocated expenses	7.4	945,479	858,866
Selling and marketing expenses	7.5	3,754,930	2,740,581
Amortisation of preliminary expenses and floatation costs		-	329,857
Amortisation of MTS annual charges		250,710	250,025
Provision for Sindh Workers' Welfare Fund	10.1	2,893,951	2,887,366
Total expenses		<u>21,661,776</u>	<u>20,052,984</u>
Net income for the year before taxation		<u>141,803,525</u>	<u>63,075,470</u>
Taxation	16	-	-
Net income for the year after taxation		<u>141,803,525</u>	<u>63,075,470</u>
Allocation of net income for the year			
Net income for the year after taxation		141,803,525	63,075,470
Income already paid on units redeemed		(59,454,581)	(24,699,249)
		<u>82,348,944</u>	<u>38,376,221</u>
Accounting income available for distribution			
- Relating to capital gains		37,910,167	-
- Excluding capital gains		44,438,777	38,376,221
		<u>82,348,944</u>	<u>38,376,221</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income for the year after taxation	141,803,525	63,075,470
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>141,803,525</u></u>	<u><u>63,075,470</u></u>

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



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	
	Rupees			Rupees			
Net assets at the beginning of the year	879,245,550	64,403,205	943,648,755	749,573,853	87,945,112	837,518,965	
Issuance of 36,339,399 units (2019: 26,210,474 units)							
- Capital value (at net asset value per unit at the beginning of the year)	3,863,859,171	-	3,863,859,171	2,771,983,036	-	2,771,983,036	
- Element of income	368,759,604	-	368,759,604	60,039,403	-	60,039,403	
Total proceeds on issuance of units	4,232,618,775	-	4,232,618,775	2,832,022,439	-	2,832,022,439	
Redemption of 31,820,752 units (2019: 24,880,381 units)							
- Capital value (at net asset value per unit at the beginning of the year)	3,383,405,098	-	3,383,405,098	2,631,314,262	-	2,631,314,262	
- Element of loss	248,007,562	59,454,581	307,462,143	42,708,817	24,699,249	67,408,066	
Total payments on redemption of units	3,631,412,660	59,454,581	3,690,867,241	2,674,023,079	24,699,249	2,698,722,328	
Total comprehensive income for the year	-	141,803,525	141,803,525	-	63,075,470	63,075,470	
Final distribution for the year ended June 30, 2018 on July 4, 2018 @ Rs. 5.2464 per unit	-	-	-	(14,786,064)	(24,797,388)	(39,583,452)	
Interim distribution for the year on March 29, 2019 @ Rs. 5.1152 per unit	-	-	-	(6,710,599)	(23,660,306)	(30,370,905)	
Final distribution for the year ended June 30, 2020 on June 30, 2020 @ Rs. 16.7887 per unit	(120,122,942)	(78,367,126)	(198,490,068)	(6,831,000)	(13,460,434)	(20,291,434)	
Total distribution during the year	(120,122,942)	(78,367,126)	(198,490,068)	(28,327,663)	(61,918,128)	(90,245,791)	
Net assets at the end of the year	1,360,328,723	68,385,023	1,428,713,746	879,245,550	64,403,205	943,648,755	
	(Rupees)			(Rupees)			
Undistributed income brought forward							
- Realised income		66,707,326			88,061,335		
- Unrealised loss		(2,304,121)			(116,223)		
		64,403,205			87,945,112		
Accounting income available for distribution							
- Relating to capital gains		37,910,167			-		
- Excluding capital gains		44,438,777			38,376,221		
		82,348,944			38,376,221		
Final distribution for the year ended June 30, 2018 on July 4, 2018 @ Rs. 5.2464 per unit		-			(24,797,388)		
Interim distribution for the year on March 29, 2019 @ Rs. 5.1152 per unit		-			(23,660,306)		
Final distribution for the year ended June 30, 2020 on June 30, 2020 @ Rs. 16.7887 per unit		(78,367,126)			(13,460,434)		
Undistributed income carried forward		68,385,023			64,403,205		
Undistributed income carried forward							
- Realised income		50,552,045			66,707,326		
- Unrealised income / (loss)		17,832,978			(2,304,121)		
		68,385,023			64,403,205		
		(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year		106.3270			111.0050		
Net asset value per unit at the end of the year		106.6712			106.3270		

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

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

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year before taxation		141,803,525	63,075,470
Adjustments for:			
Amortisation of preliminary expenses and floatation cost		-	329,857
Provision for Sindh Workers' Welfare Fund		2,893,951	2,887,366
Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		(17,832,978)	2,304,121
		<u>126,864,498</u>	<u>68,596,814</u>
Decrease / (increase) in assets			
Investments - net		(909,410,855)	(62,613,533)
Advances, prepayments and mark-up receivable		4,544,053	(2,366,817)
Receivable against sale of investments		(1,463,338)	(46,019,662)
		(906,330,140)	(111,000,012)
Increase / (decrease) in liabilities			
Payable to the Management Company		962,584	1,151,941
Payable to the Trustee		4,881	(33,569)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(456,379)	(287,494)
Payable against purchase of investments		(220,059,656)	(406,235,524)
Accrued expenses and other liabilities		12,536,186	1,165,981
		(207,012,384)	(404,238,665)
Net cash used in operating activities		<u>(986,478,026)</u>	<u>(446,641,863)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Amount received against issuance of units (net of refund of element)		4,112,495,833	2,803,694,776
Payments made against redemption of units		(3,690,867,241)	(2,698,722,328)
Dividend paid		(68,440,558)	(61,918,128)
Net cash generated from financing activities		353,188,034	43,054,320
Net decrease in cash and cash equivalents during the year		<u>(633,289,992)</u>	<u>(403,587,543)</u>
Cash and cash equivalents at beginning of the year		949,015,441	1,352,602,984
Cash and cash equivalents at end of the year	14	<u><u>315,725,449</u></u>	<u><u>949,015,441</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP SOVEREIGN FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Sovereign Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on May 6, 2014 between Alfalah GHP Investment Management Limited as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned AM2+ (positive outlook) to the Management Company in its rating report dated August 9, 2019, and stability rating of AA-(f) to the Fund in its credit rating report dated April 17, 2020.

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

2. BASIS OF PRESENTATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

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

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

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

There are certain other new standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.6 and 17)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Classification and subsequent measurement

a) Debt instruments

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

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

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

b) Equity instruments

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

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

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

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

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

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.2.1 Impairment loss on debt securities

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

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

3.2.3 Regular way contracts

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

3.2.4 Initial recognition and measurement

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

3.2.5 Derecognition

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

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Provisions

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

3.6 Taxation

Current

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

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

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

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

3.8 Issue and redemption of units

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

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

3.9 Distributions to unit holders

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains or losses arising on sale of investments are recorded on the date at which the transaction takes place.
- Unrealised gains or losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the income statement in the period in which these arise.
- Income on Government securities, term finance certificates and sukuks is recognised on a time proportionate basis using the effective yield method.
- Profit / mark-up on saving accounts is recognised on an accrual basis.

3.13 Expenses

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

3.14 Earnings / (loss) per unit

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

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

3.15 Margin Trading System

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

3.16 Foreign currency translation

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

4. BANK BALANCES	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Balances with banks in:			
Saving accounts	4.1	216,821,949	433,838,373
		<u>216,821,949</u>	<u>433,838,373</u>
4.1 These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 6.50% to 8% (2019: 6.80% to 13.60%) per annum. It includes bank balance of Rs. 215.468 million (2019: Rs. 58.644 million) maintained with Bank Alfalah Limited (a related party).			
5. INVESTMENTS	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
At fair value through profit or loss			
Market Treasury Bills	5.1	891,978,874	515,177,068
Pakistan Investment Bonds	5.2	51,643,658	88,834,536
Term Finance Certificates	5.3	3,919,337	108,510,730
Sukuk certificates	5.4	188,214,480	-
Government of Pakistan Ijara sukuku	5.5	87,736,250	-
		<u>1,223,492,599</u>	<u>712,522,334</u>

5.1 Market Treasury Bills - at fair value through profit or loss

Particulars	Face value				Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss) on revaluation of investments	Market value as a percentage of	
	As at June 30, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020				net assets	total investment
	----- (Rupees) -----								
Market Treasury Bills - 3 months	522,000,000	7,884,000,000	8,306,000,000	100,000,000	98,767,580	98,903,500	135,920	6.92%	8.08%
Market Treasury Bills - 6 months	-	2,225,000,000	2,150,000,000	75,000,000	72,496,339	72,629,175	132,836	5.08%	5.94%
Market Treasury Bills - 12 months	-	6,867,500,000	6,110,000,000	757,500,000	707,312,664	720,446,199	13,133,535	50.43%	58.88%
Total as at June 30, 2020	<u>522,000,000</u>	<u>16,976,500,000</u>	<u>16,566,000,000</u>	<u>932,500,000</u>	<u>878,576,583</u>	<u>891,978,874</u>	<u>13,402,291</u>		
Total as at June 30, 2019	<u>600,000,000</u>	<u>27,471,000,000</u>	<u>27,549,000,000</u>	<u>522,000,000</u>	<u>515,287,281</u>	<u>515,177,068</u>	<u>(110,213)</u>		

5.1.1 These carry purchase yield of 5.68% to 14.71% (2019: 10.15% to 12.65%). These have maturity upto April 8, 2021 (2019: August 15, 2019).

5.2 Pakistan Investment Bonds - at fair value through profit or loss

Particulars	Face value				Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss) on revaluation of investments	Market value as a percentage of	
	As at June 30, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020				net assets	total investment
(Rupees)									
Pakistan Investment Bonds - 3 years	100,000,000	925,000,000	975,000,000	50,000,000	47,611,412	51,643,658	4,032,246	3.61%	4.22%
Pakistan Investment Bonds - 5 years	-	250,000,000	250,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 10 years	-	25,000,000	25,000,000	-	-	-	-	-	-
Total as at June 30, 2020	100,000,000	1,200,000,000	1,250,000,000	50,000,000	47,611,412	51,643,658	4,032,246		
Total as at June 30, 2019	-	945,000,000	845,000,000	100,000,000	89,414,605	88,834,536	(580,069)		

5.2.1 These carry purchase yield of 11.54% (2019: 7.25%) per annum. These have maturity upto September 19, 2022 (2019: July 12, 2021).

5.3 Term Finance Certificates - at fair value through profit or loss

Name of the investee company	Note	Secured / Unsecured	Face value				Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised loss on revaluation of investments	Market value as a percentage of		Investment as percentage of issue size
			As at June 30, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020				net assets	total investment	
(Rupees)												
Term finance certificates - unlisted												
Habib Bank Limited		Secured	17,414,100	-	17,414,100	-	-	-	-	-	-	-
The Bank of Punjab Limited		Secured	93,151,000	-	93,151,000	-	-	-	-	-	-	-
The Bank of Punjab Limited	5.3.1	Secured	-	3,995,200	-	3,995,200	3,971,626	3,919,337	(52,289)	0.27%	0.32%	0.16%
Total as at June 30, 2020			110,565,100	3,995,200	110,565,100	3,995,200	3,971,626	3,919,337	(52,289)			
Total as at June 30, 2019			137,413,060	-	26,847,960	110,565,100	110,124,569	108,510,730	(1,613,839)			

5.3.1 These Term Finance Certificates have face value of Rs. 99,880 each and carry rate of return of 6 months KIBOR+1% per annum and will mature on December 23, 2026.

5.4 Sukuk certificates - at fair value through profit or loss

Name of the investee company	Note	Yield per annum	Secured / Unsecured	Maturity date	(Number of certificates)			As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain on revaluation of investments	Market value as a percentage of		Investment as a percentage of issue size
					As at July 01, 2019	Purchased during the year	Matured / sold during the year					net assets of the Fund	total market value of investment	
(Rupees)														
HUB Power Company Sukuk III		3 Months KIBOR + 1%	Secured	November 27, 2019	-	900	900	-	-	-	-	-	-	-
HUB Power Company	5.4.1	3 Months KIBOR + 1.9%	Secured	August 22, 2023	-	100	-	100	10,000,000	10,214,480	214,480	0.71%	0.83%	0.15%
Pakistan Energy Sukuk II	5.4.2	6 Months KIBOR - 0.1%	Secured	May 22, 2030	-	35,600	-	35,600	178,000,000	178,000,000	-	12.46%	14.55%	0.09%
Total as at June 30, 2020									188,000,000	188,214,480	214,480			
Total as at June 30, 2019									-	-	-			

5.4.1 These Sukuks have face value of Rs.100,000 each.

5.4.2 These Sukuks have face value of Rs. 5,000 each.

5.5 Government of Pakistan Ijara sukus - at fair value through profit or loss

Name of the investee company	Note	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain on revaluation of investments	Market value as a percentage of	
												net assets of the Fund	total market value of investment
					----- (Number of certificates) -----			----- (Rupees) -----					
GOP Ijara Sukuk 5 Years (April 30, 2020)		6.33%	Secured	April 30, 2025	-	1,200	1,200	-	-	-	-	-	-
GOP Ijara Sukuk 10 Years (May 29, 2020)	5.5.1	7.65%	Secured	May 29, 2030	-	1,875	1,000	875	87,500,000	87,736,250	236,250	6.14%	7.17%
Total as at June 30, 2020									87,500,000	87,736,250	236,250		
Total as at June 30, 2019									-	-	-		

5.5.1 These Ijara sukuk have face value of Rs. 100,000 each.

5.6 Unrealised gain / (loss) on revaluation of investments classified as at fair value through profit or loss - net

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Market value of investments		1,223,492,599	712,522,334
Less: Carrying value of investments		(1,205,659,621)	(714,826,455)
		17,832,978	(2,304,121)

6. ADVANCES, PREPAYMENTS AND MARK-UP RECEIVABLE

Advances and deposits:			
- Advance against MTS - National Clearing Company of Pakistan Limited		250,000	250,000
- Advance against TFC exposure		2,937,357	2,937,357
- Other deposits		100,000	100,000
Prepayments:			
- PACRA rating fee		87,896	92,727
Mark-up receivable on:			
- Bank balances	6.1	1,236,989	3,184,913
- Term Finance Certificates		2,428,894	2,904,535
- Pakistan Investment Bonds		1,284,998	3,402,179
Advance tax	6.2	154,973	153,449
		8,481,107	13,025,160

6.1 It includes accrued markup of Rs. 0.181 million (2019: Rs 0.978 million) receivable from Bank Alfalah Limited (a related party).

6.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2020, withholding tax on profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on bank deposits amounts to Rs 0.154 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Honourable Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7. PAYABLE TO THE MANAGEMENT COMPANY	Note	2020	2019
		----- (Rupees) -----	
Management remuneration payable	7.1	1,116,394	706,419
Sindh sales tax payable on management remuneration	7.2	2,596,738	2,543,445
Federal excise duty payable on management remuneration	7.3	18,099,657	18,099,657
Preliminary expenses and floatation costs payable		5,000	5,000
Sales load payable		628,612	628,612
Payable against allocated expenses	7.4	71,307	274,982
Payable against selling and marketing expenses	7.5	2,300,905	1,597,914
Other payables		50,000	50,000
		<u>24,868,613</u>	<u>23,906,029</u>

7.1 The Management Company has charged its remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, subject to a minimum remuneration of 0.25% of the average net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

7.2 During the year, an amount of Rs. 1.310 million (2019: Rs. 1.095 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.257 million (2019: Rs. 1.079 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 18.010 million has been retained in the financial statements of the Fund as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net asset value per unit of the Fund would have been higher by Rs 1.35 (2019: Rs 2.04).

7.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

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

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

8. PAYABLE TO THE TRUSTEE	Note	2020	2019
		----- (Rupees) -----	
Trustee remuneration payable	8.1	92,144	87,827
Sindh sales tax payable on trustee remuneration	8.2	11,980	11,416
		<u>104,124</u>	<u>99,243</u>

8.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Effective from July 1, 2019, the Trustee has revised its tariff as follows:

Existing Tariff		Revised Tariff
Net Assets (Rs.)	Fee	(Flat Rate)
- Up to Rs. 1 billion	0.15% p.a. of net assets	0.065% p.a. of net assets
- Rs 1 billion to Rs. 10 billion	Rs 1.5 million plus 0.075% p.a. of net assets exceeding Rs 1 billion	
- Over Rs. 10 billion	Rs 8.25 million plus 0.06% p.a. of net assets exceeding Rs 10 billion	

Accordingly, the Fund has charged Trustee remuneration @ 0.065% per annum during the current year and an amount of Rs 0.617 million has been recorded in the income statement.

8.2 During the year, an amount of Rs 0.08 million (2019: Rs. 0.165 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.079 million (2019: Rs. 0.169 million) was paid to the Trustee which acts as a collecting agent. Sindh sales tax on trustee remuneration has been charged at 13% (2019: 13%).

9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2020	2019
		----- (Rupees) -----	
Annual fee payable to the SECP	9.1	<u>187,759</u>	<u>644,138</u>

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the Fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current year.

10. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2020	2019
		----- (Rupees) -----	
Withholding tax and capital gain tax payable		11,767,730	1,599,665
Auditors' remuneration		386,817	268,227
Brokerage payable		155,259	24,349
Printing charges payable		103,375	96,957
Annual rating fee		-	255,270
Annual listing fee		-	9,948
Provision for Sindh Workers' Welfare Fund	10.1	9,845,093	6,951,142
Sales load payable		10,219,571	7,842,150
		<u>32,477,845</u>	<u>17,047,708</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value per unit of the Fund as at June 30, 2020 would have been higher by Re. 0.74 (2019: Re. 0.78).

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

12. PROFIT / MARK UP INCOME	Note	2020	2019
		----- (Rupees) -----	
Profit / mark up income on:			
- Market Treasury Bills		77,817,923	26,408,452
- Pakistan Investment Bonds		9,354,546	4,559,083
- Term Finance Certificates		6,974,239	11,946,975
- MTS		294,574	2,839,633
- Clean placement		105,754	4,568,994
- Bank deposits		19,673,364	38,007,391
		<u>114,220,400</u>	<u>88,330,528</u>

13. AUDITORS' REMUNERATION

Audit fee	160,000	160,000
Other certification and services	125,000	125,000
	285,000	285,000
Out of pocket expenses	30,506	29,742
Sindh sales tax	25,240	25,179
	<u>340,746</u>	<u>339,921</u>

14. CASH AND CASH EQUIVALENTS

Bank balances	4	216,821,949	433,838,373
Market Treasury Bills (with original maturity of 3 months or less)	5.1	98,903,500	515,177,068
		<u>315,725,449</u>	<u>949,015,441</u>

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 2.31% which includes 0.48% representing Government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

16. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements during the year.

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

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

The detail of transactions carried out by the Fund with related parties / connected persons during the year and balances with them as at year end are as follows:

17.1 Unit holders' fund

Particulars	Note	2020									
		As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020
		(Units)					(Rupees)				
Associated companies / undertakings											
CDC - Trustee Alfalah GHP Conservative Plan	17.1.1	268,280	128,427	34,836	181,466	250,077	28,525,408	14,800,000	3,703,988	19,900,000	27,250,225
CDC - Trustee Alfalah GHP Moderate Plan	17.1.1	855,345	17,971	60,312	486,058	447,570	90,946,268	2,000,000	6,502,060	54,200,000	47,835,633
CDC - Trustee Alfalah GHP Active Allocation Plan	17.1.1	234	125,607	645	121,950	4,536	24,881	14,000,000	68,552	14,000,000	504,341
Alfalah GHP Investment Management Limited	17.1.1	4,049,919	3,647	535	913,541	3,140,560	430,851,122	420,069	56,888	97,473,883	335,007,304
Key management personnel											
Head of corporate sale	17.1.1	-	1,676	244	-	1,920	-	199,179	25,983	-	204,809
Unit holder holding 10 % or more units											
Barrett Hodgson Pakistan Pvt Ltd.	17.1.1	-	1,221,978	191,394	-	1,413,372	-	149,344,259	20,350,360	-	150,766,087
Naheed Kamal Azfar	17.1.1	-	3,376,020	244,837	1,798,819	1,822,038	-	385,200,000	26,032,786	191,808,639	194,358,980

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

17.1.1 This reflects the position of related party / connected person status as at June 30, 2020.

2020 2019
----- (Rupees) -----

17.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	10,080,360	8,439,532
Sindh sales tax on remuneration of the Management Company	1,310,445	1,094,698
Allocated expenses	945,479	858,866
Selling and marketing expenses	3,754,930	2,740,581
Sales Load	1,402,244	-

	2020	2019
	----- (Rupees) -----	
Bank Alfalah Limited		
Mark-up on bank deposits	7,119,184	2,705,118
Sales load	3,306,626	459,133
Bank charges	30,514	49,316
Market Treasury Bills - purchased	-	820,058,705
Alfalah GHP Money Market Fund		
Market Treasury Bills - purchased	2,030,275,840	2,782,686,690
Market Treasury Bills - sold	3,408,380,365	1,409,584,000
Alfalah GHP Income Multiplier Fund		
Market Treasury Bills - purchased	202,515,300	-
Market Treasury Bills - sold	187,772,925	20,700,372
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	399,722,380	114,379,375
Market Treasury Bills - sold	207,326,606	115,886,338
Alfalah GHP Income Fund		
Treasury Bills - purchased	214,540,705	-
Market Treasury Bills - sold	147,054,440	29,602,970
Pakistan Investment Bonds -purchased	24,831,400	89,697,150
Alfalah Capital Preservation Fund II		
Market Treasury Bills - purchased	273,618,095	1,292,103,800
Market Treasury Bills - sold	44,087,450	391,902,400
Pakistan Investment Bonds - sold	-	49,347,500
Alfalah GHP Value Fund		
Market Treasury Bills - purchased	195,848,000	392,822,400
Market Treasury Bills - sold	503,216,260	141,762,576
Term Finance Certificates - purchased	3,973,226	-
Pakistan Investment Bonds - Sold	-	44,834,450
Alfalah GHP Stock Fund		
Treasury Bills - purchased	48,639,350	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	616,829	1,269,870
Sindh sales tax on Trustee remuneration	80,191	165,085
CDC charges	-	95,384

17.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	1,116,394	706,419
Sindh sales tax payable on management remuneration	2,596,738	2,543,445
Federal excise duty payable on management remuneration	18,099,657	18,099,657
Preliminary expense and floatation costs payable	5,000	5,000
Sales load payable	628,612	628,612
Other payables	50,000	50,000
Payable against allocated expenses	71,307	274,982
Payable against selling and marketing expenses	2,300,905	1,597,914

	2020	2019
	----- (Rupees) -----	
Bank Alfalah Limited		
Bank balance	215,468,632	58,644,167
Mark-up receivable	181,462	978,187
Sales load payable	10,219,571	7,842,150

Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee	92,144	87,827
Sindh sales tax on Trustee remuneration	11,980	11,416
Security deposit	100,000	100,000

18. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	216,821,949	-	216,821,949
Investments	-	1,223,492,599	1,223,492,599
Advances and mark-up receivable	8,238,238	-	8,238,238
Receivable against sale of investments	47,483,000	-	47,483,000
	<u>272,543,187</u>	<u>1,223,492,599</u>	<u>1,496,035,786</u>

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	24,868,613	-	24,868,613
Payable to the Trustee	104,124	-	104,124
Dividend payable	9,926,568	-	9,926,568
Accrued expenses and other liabilities	10,865,022	-	10,865,022
	<u>45,764,327</u>	<u>-</u>	<u>35,837,759</u>

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

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

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds and are explained below:

19.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments as at June 30, 2020 is as follows:

	2020	2019
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	216,821,949	433,838,373
Term Finance Certificates	3,919,337	108,510,730
Sukuks Certificates	188,214,480	-
	<u>408,955,766</u>	<u>542,349,103</u>
Fixed rate instruments (financial assets)		
Market Treasury Bills	891,978,874	515,177,068
Pakistan Investment Bonds	51,643,658	88,834,536
Ijarah Sukuk	87,736,250	-
	<u>1,031,358,782</u>	<u>604,011,604</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates on the last repricing date would have increased / decreased the net income of the year and the net assets of the Fund by Rs 2.395 million (2019: Rs 0.61 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the net income for the year and the net assets of the Fund by Rs 6.505 million (2019: Rs 0.034 million) respectively. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

2020					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	6.50% - 8%	216,821,949	-	-	-	216,821,949
Investments:						
- Market Treasury Bills	7.23% - 14.71%	98,903,500	793,075,374	-	-	891,978,874
- Term Finance Certificates	6.92% - 13.45%	-	3,919,337	-	-	3,919,337
- Sukuk Certificates	8.41% - 13.91%	10,214,480	265,736,250	-	-	275,950,730
- Pakistan Investment Bonds	11.54%	-	-	51,643,658	-	51,643,658
Advances and mark-up receivable		-	-	-	8,238,238	8,238,238
Receivable against sale of investments		-	-	-	47,483,000	47,483,000
		325,939,929	1,062,730,961	51,643,658	55,721,238	1,496,035,786

Financial liabilities

Payable to the Management Company		-	-	-	24,868,613	24,868,613
Payable to the Trustee		-	-	-	104,124	104,124
Dividend payable		-	-	-	9,926,568	9,926,568
Accrued expenses and other liabilities		-	-	-	10,865,022	10,865,022
		-	-	-	45,764,327	45,764,327

On-balance sheet gap

	325,939,929	1,062,730,961	51,643,658	9,956,911	1,450,271,459
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Off-balance sheet financial instruments

	-	-	-	-	-
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Off-balance sheet gap (b)

	-	-	-	-	-
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Total profit rate sensitivity gap (a+b)

	325,939,929	1,062,730,961	51,643,658	9,956,911	1,450,271,459
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2019					
Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

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

Financial liabilities

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

On-balance sheet gap

	966,120,405	91,405,766	88,834,536	(193,763,183)	952,597,524
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Off-balance sheet financial instruments

	-	-	-	-	-
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Off-balance sheet gap (b)

	-	-	-	-	-
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Total profit rate sensitivity gap (a+b)

	966,120,405	91,405,766	88,834,536	(193,763,183)	952,597,524
--	-------------	------------	------------	---------------	-------------

19.1.3 Price risk

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

19.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

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

19.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	216,821,949	216,821,949	433,838,373	433,838,373
Investments	1,223,492,599	14,133,817	712,522,334	108,510,730
Advances and mark-up receivable	8,238,238	8,238,238	12,778,984	12,778,984
Receivable against sale of Investments	47,483,000	47,483,000	46,019,662	46,019,662
	<u>1,496,035,786</u>	<u>286,677,004</u>	<u>1,205,159,353</u>	<u>601,147,749</u>

The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 1,031.36 million (2019: Rs. 604.01 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

19.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of investment in term finance certificates and sukuk certificates and profit accrued thereon and receivable against sale investments.

Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Name of bank	Rating Agency	Rating	2020	2019
			(%)	
Bank Alfalah Limited	PACRA	A1+	99.38%	13.52%
Bank Al Habib Limited	PACRA	A1+	0.00%	0.00%
Allied Bank Limited	PACRA	A1+	0.11%	0.02%
Zarai Taraqiati Bank Limited	PACRA	A1+	0.10%	0.01%
Habib Bank Limited	JCR - VIS	A1+	0.36%	86.17%
National Bank of Pakistan	PACRA	A1+	0.00%	0.02%
Samba Bank Limited	PACRA	A1	0.03%	0.03%
Soneri Bank Limited	PACRA	A1+	0.00%	0.00%
JS Bank Limited	PACRA	A1+	0.02%	0.22%
Central Depository Company	N/A	N/A	0.00%	0.01%
			<u>100%</u>	<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2020.

19.2.3 Investment in debt instruments

The Fund held investments in term finance certificates and sukuk certificates (including profit receivable) at June 30, 2020 with entities having following credit ratings

Name of investee company	Rating Agency	Rating	2020	2019
			----- (%) -----	
The Bank of Punjab Limited	PACRA	AA-	28.43%	84.51%
HUB Power Company	PACRA	AA+	71.57%	-
Habib Bank Limited	PACRA	AAA	0.00%	15.49%
			<u>100%</u>	<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2020.

19.2.4 Concentration of credit risk

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

19.3 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
----- Rupees -----						
Financial assets						
Bank balances	216,821,949	-	-	-	-	216,821,949
Investments	-	98,903,500	793,075,374	61,858,138	269,655,587	1,223,492,599
Advances and mark-up receivable	1,236,989	1,284,998	5,716,251	-	-	8,238,238
Receivable against sales of Investment	47,483,000	-	-	-	-	47,483,000
	<u>265,541,938</u>	<u>100,188,498</u>	<u>798,791,625</u>	<u>61,858,138</u>	<u>269,655,587</u>	<u>1,496,035,786</u>
Financial liabilities						
Payable to the Management Company	24,868,613	-	-	-	-	24,868,613
Payable to the Trustee	104,124	-	-	-	-	104,124
Dividend payable	9,926,568	-	-	-	-	9,926,568
Accrued expenses and other liabilities	10,478,205	386,817	-	-	-	10,865,022
	<u>45,377,510</u>	<u>386,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,764,327</u>
Net assets	<u>220,164,428</u>	<u>99,801,681</u>	<u>798,791,625</u>	<u>61,858,138</u>	<u>269,655,587</u>	<u>1,450,271,459</u>

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

19.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at June 30, 2020, the Fund held the following financial instruments measured at fair values:

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Investments				
Market Treasury Bills	-	891,978,874	-	891,978,874
Term Finance Certificates	-	3,919,337	-	3,919,337
Pakistan Investment Bonds	-	51,643,658	-	51,643,658
Sukuk certificates	-	188,214,480	-	188,214,480
Government of Pakistan Ijara sukuks	-	87,736,250	-	87,736,250
	-	1,223,492,599	-	1,223,492,599
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Investments				
Market Treasury Bills	-	515,177,068	-	515,177,068
Term Finance Certificates	-	108,510,730	-	108,510,730
Pakistan Investment Bonds	-	88,834,536	-	88,834,536
	-	712,522,334	-	712,522,334

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

19.5 Unit holder's fund risk management

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

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

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

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

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

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

20. SUPPLEMENTARY NON - FINANCIAL INFORMATION

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

21. CORRESPONDING FIGURES

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

22. GENERAL

22.1 Figures have been rounded off to the nearest rupee.

22.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

22.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 24, 2020** by the Board of Directors of the Management Company.



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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	352	6,768,998	722,060,000	51%
Associated Co./ Directors	1	4,182	446,152	0%
Retirement & Other Funds	15	1,507,674	160,830,000	11%
Others	27	5,112,763	545,378,107	38%
	395	13,393,617	1,428,714,259	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	331	1,610,178	171,205,392	12%
Associated Co./ Directors	2	4,049,920	430,615,822	30%
Banks/Dfis	1	107	11,428	0%
Retirement & Other Funds	6	529,467	56,296,650	4%
Others	18	2,685,300	285,519,463	20%
	358	8874972	943648755	66%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Continental Exchange (Pvt) Limited	25.02%
Invest One Market Limited	15.65%
Bright Capital Private Limited	13.71%
Next Capital Limited	13.63%
BIPL Securities Limited	5.82%
JS Global Capital Limited	5.34%
BMA Capital	3.73%
Magenta Capital (Pvt) Limited	2.81%
Paramount Capital (Pvt) Limited	2.43%
ICON Securities	1.47%
	30 June 2019
	%
Invest One Markets Limited	23.27%
Continental Exchange (Pvt) Limited	19.93%
BIPL Securities Limited	18.50%
Bright Capital Private Limited	13.65%
Summit Capital Private Limited	6.43%
Paramount Capital	5.98%
Magenta Capital (Pvt) Limited	4.37%
JS Global Capital Limited	1.94%
Pearl Securities	1.48%
C & M Management (Pvt) Limited	1.27%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

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

PERFORMANCE TABLE - AGSOF

	30 June 2020	30 June 2019	30 June 2018 (Rupees in '000)	30 June 2017	30 June 2016
Net Assets	1,429	943,649	837,519	1,221,351	2,987,126
NAV per unit	106.6712	106.3270	111.0050	105.7586	105.7890
Selling price per unit	107.8766	107.5285	112.2594	106.9537	107.1880
Redemption price per unit	106.6712	106.3270	111.0050	105.7586	105.7890
Highest selling price per unit	124.5069	112.7015	112.2403	112.8651	111.9222
Highest redemption price per unit	123.1157	111.4422	110.9862	111.6040	110.4615
Lowest selling price per unit	107.5285	106.6400	107.0203	106.9537	104.2044
Lowest redemption price per unit	106.3270	105.8583	105.8245	105.7586	102.8444
1st interim distribution per unit	Nil	5.1152	Nil	5.8914	4.6776
Interim distribution date	N/A	29-Mar-19	N/A	22-Jun-17	29-Jun-16
Final distribution per unit	16.7887	2.3296	5.2464	N/A	N/A
Final distribution date	30-Jun-19	30-Jun-19	2-Jul-18	N/A	N/A
Annualized returns	16.16%	7.68%	Nil	Nil	7.42%
Income distribution	15.79%	6.71%	4.96%	5.57%	4.54%
Weighted avg. portfolio duration	2.05 Yrs	1.24 Yrs	1.39 Yrs	1.39 Yrs	1.80 Yrs

Return since inception is **9.57%**

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



Alfalah
Ghp Income Fund

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

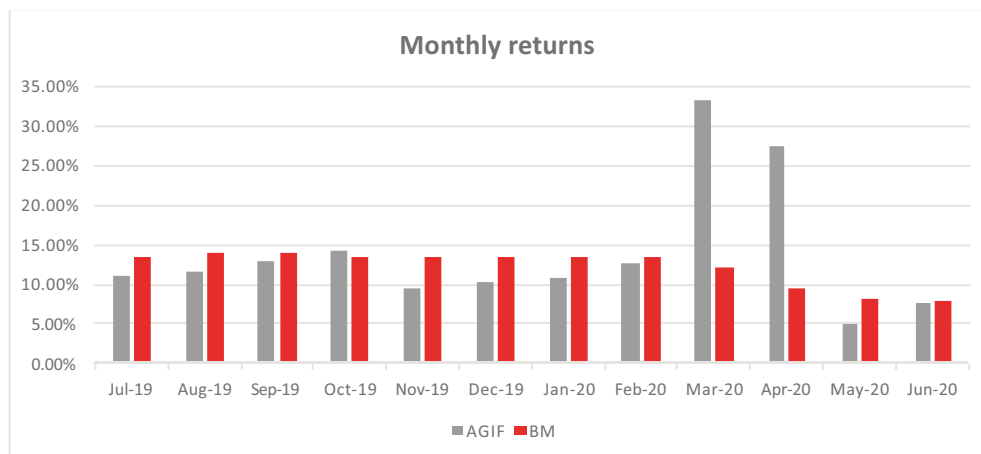
Fund Performance

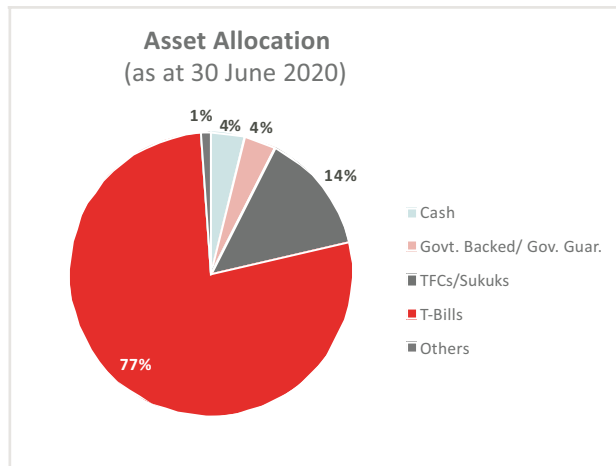
For the year ended June 30 2019, the fund posted a return of 10.22% against the benchmark of 7.70%. AGIF remained focus on a diversified portfolio of corporate and government securities with frequent placements and deposits with Banks/DFIs at premium rates, the fund also maintained its exposure towards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

Fund Performance

For the year ended June 30 2020, the fund posted a return of 14.83% against the benchmark of 12.23%. AGIF remain focused on a diversified portfolio of corporate and higher duration government securities with frequent placements and deposits with Banks/DFIs at premium rates, in order to outperform the benchmark return.

Performance comparison with Benchmark





Credit Quality (as % of Total Assets)			
Govt. Sec / Guar.	81.23%	A	0.00%
AAA	4.60%	A-	0.00%
AA+	2.69%	BBB+	0.00%
AA	5.54%	BBB	0.00%
AA-	3.83%	Below IG	0.00%
A+	0.95%	MTS/NR/UR	0.15%

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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
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URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020

INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Income Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 864.37 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Assets			
Bank balances	4	43,884,533	154,591,520
Investments	5	1,157,305,241	127,653,554
Security deposits	6	2,850,000	2,850,000
Prepayments and other receivables	7	6,659,704	6,946,917
Total assets		<u>1,210,699,478</u>	<u>292,041,991</u>
Liabilities			
Payable to the Management Company	8	12,530,178	11,852,975
Payable to the Trustee	9	160,217	103,882
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	86,941	260,021
Accrued expenses and other liabilities	11	4,628,369	3,385,221
Total liabilities		<u>17,405,705</u>	<u>15,602,099</u>
Net assets attributable to the unit holders		<u>1,193,293,773</u>	<u>276,439,892</u>
Unit holders' fund (as per the statement attached)		<u>1,193,293,773</u>	<u>276,439,892</u>
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		<u>10,586,712</u>	<u>2,457,558</u>
		----- (Rupees) -----	
Net asset value per unit		<u>112.7162</u>	<u>112.4856</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
----- (Rupees) -----			
Income			
Profit / mark up income	13	51,776,481	34,673,810
Loss on sale of investments - net		10,663,335	(1,512,718)
Unrealised (loss) / gain on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		2,820,008	(1,049,800)
Total income		<u>65,259,824</u>	<u>32,111,292</u>
Expenses			
Remuneration of the Management Company	8.1	4,723,205	3,441,583
Sindh sales tax on remuneration of the Management Company	8.2	614,017	447,412
Allocated expenses	8.4	435,942	347,367
Selling and marketing expenses	8.5	611,734	756,971
Remuneration of the Trustee	9.1	326,087	649,336
Sindh sales tax on remuneration of the Trustee	9.2	42,392	84,446
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	86,966	260,021
Brokerage expense		180,136	35,151
Settlement and bank charges		37,179	51,544
Auditors' remuneration	14	277,093	277,093
Annual listing fee		22,000	27,500
Annual rating fee		323,010	181,580
Clearing charges		637,666	737,797
Printing charges		30,006	73,052
Provision for Sindh Workers' Welfare Fund	11.1	1,138,346	494,808
Total expenses		<u>9,485,779</u>	<u>7,865,661</u>
Net income before taxation		<u>55,774,045</u>	<u>24,245,631</u>
Taxation	15	-	-
Net income for the year after taxation		<u>55,774,045</u>	<u>24,245,631</u>
Allocation of net income for the year			
Net income for the year after taxation		55,774,045	24,245,631
Income already paid on units redeemed		(8,746,227)	(5,623,392)
Accounting income available for distribution		<u>47,027,818</u>	<u>18,622,239</u>
-Relating to capital gains		13,483,343	-
-Excluding capital gains		33,544,475	18,622,239
		<u>47,027,818</u>	<u>18,622,239</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income for the year after taxation	55,774,045	24,245,631
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>55,774,045</u>	<u>24,245,631</u>

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



For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP INCOME FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital Value	Undistribut d income	Total	Capital Value	Undistribut d income	Total
	Rupees			Rupees		
Net assets at the beginning of the year	202,564,874	73,875,018	276,439,892	455,067,454	90,047,883	545,115,337
Issuance of 14,359,244 units (2019: 4,778,254 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,615,208,177	-	1,615,208,177	535,050,726	-	535,050,726
- Element of income	149,029,539	-	149,029,539	3,387,365	-	3,387,365
	1,764,237,716	-	1,764,237,716	538,438,091	-	538,438,091
Redemption of 6,230,090 units (2019: 6,966,391 units)						
- Capital value (at net asset value per unit at the beginning of the year)	700,795,412	-	700,795,412	780,069,992	-	780,069,992
- Element of loss	42,447,834	8,746,227	51,194,061	1,980,511	5,623,392	7,603,903
	743,243,246	8,746,227	751,989,473	782,050,503	5,623,392	787,673,895
Total comprehensive income for the year	-	55,774,045	55,774,045	-	24,245,631	24,245,631
Final distribution for the year ended June 30, 2018 @ Rs. 5.3659 per unit on July 2, 2018	-	-	-	(7,824,827)	(17,103,509)	(24,928,336)
Final distribution for the year ended June 30, 2019 @ Rs. 8.1115 per unit on June 30, 2019	-	-	-	(1,065,341)	(17,691,595)	(18,756,936)
Final distributic @ Rs. 16.4172 per unit on June 24, 2020	(106,572,001)	(44,596,406)	(151,168,407)	-	-	-
	(106,572,001)	(44,596,406)	(151,168,407)	(8,890,168)	(34,795,104)	(43,685,272)
Net assets at the end of the year	1,116,987,343	76,306,430	1,193,293,773	202,564,874	73,875,018	276,439,892
		(Rupees)			(Rupees)	
Undistributed income brought forward						
- Realised		74,924,818			89,749,607	
- Unrealised		(1,049,800)			298,276	
		73,875,018			90,047,883	
Accounting income available for distribution						
- Relating to capital gains		13,483,343			-	
- Excluding capital gains		33,544,475			18,622,239	
		47,027,818			18,622,239	
Final distribution for the year ended June 30, 2018 @ Rs. 5.3659 per unit on July 2, 2018		-			(17,103,509)	
Final distribution for the year ended June 30, 2019 @ Rs. 8.1115 per unit on June 30, 2019		-			(17,691,595)	
Final distribution for the year ended June 30, 2020 @ Rs. 16.4172 per unit on June 24, 2020		(44,596,406)			-	
Undistributed income carried forward		76,306,430			73,875,018	
Undistributed income carried forward						
- Realised		65,643,095			74,924,818	
- Unrealised		10,663,335			(1,049,800)	
		76,306,430			73,875,018	
Net asset value per unit at the beginning of the year		112.4856			117.3377	
Net asset value per unit at the end of the year		112.7162			112.4856	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		55,774,045	24,245,631
Adjustments for:			
Provision for Sindh Workers' Welfare Fund		1,138,346	494,808
Unrealised loss / (gain) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		(10,663,335)	1,049,800
		46,249,056	25,790,239
(Increase) / decrease in assets			
Investments - net		(870,964,477)	(2,879,004)
Prepayments and other receivables		287,213	(1,572,533)
		(870,677,264)	(4,451,537)
Decrease in liabilities			
Payable to the Management Company		677,203	(91,452)
Payable to the Trustee		56,335	(42,523)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(173,080)	(281,994)
Accrued expenses and other liabilities		104,802	(84,294)
		665,260	(500,263)
Net cash flow (used in) / generated from operating activities		(823,762,948)	20,838,439
CASH FLOW			
Dividend paid		(44,596,406)	(34,795,104)
Amounts received against issuance of units (net of refund of capital)		1,657,665,715	529,547,923
Payments made against redemption of units		(751,989,473)	(787,673,895)
Net cash generated from / (used in) financing activities		861,079,836	(292,921,076)
Net increase / (decrease) in cash and cash equivalents during the year		37,316,888	(272,082,637)
Cash and cash equivalents at the beginning of the year		154,591,520	426,674,157
Cash and cash equivalents at the end of the year	17	191,908,408	154,591,520

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Fund (the Fund) is an open-ended fund constituted under a trust deed entered into on December 18, 2006 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984. On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) vide its letter No. SCD/AMCW/AD-ZI/AGIF/241/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Fund (formerly IGI Income Fund).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

According to the Trust Deed, the Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, Government securities, sukuk and term finance certificates, certificates of investment, certificates of musharaka, commercial papers, term deposit receipts, spread transactions and reverse repurchase agreements.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019, and stability rating of A+(f) to the Fund in its credit rating report dated April 17, 2020.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.3.1 and 5).
- ii. Impairment of financial assets (note 3.3.2).
- iii. Taxation (notes 3.7 and 15).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years.

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.1.2 Equity instruments

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

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

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

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

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

3.3.2 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Impairment loss on debt securities

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

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price represents the Net Asset Value (NAV) of the units as of the close of that business day plus the allowable sales load, provision of duties and charges and provision for transaction costs, if applicable. The sales load is payable to the distributors and the Management Company.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redemption price represents the NAV per unit as on the close of business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as 'financial asset at fair value through profit or loss' are recognised in the income statement in the period in which these arise.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term deposit receipts, musharakah certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the profits / income are recorded on receipt basis.
- Unrealised gains or losses arising on revaluation of investments classified as financial assets at fair value through profit or loss are included in the income statement in the period in which they arise.

3.13 Expenses

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

3.14 Earnings / (loss) per unit

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

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

3.15 Margin Trading System

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

3.16 Foreign currency translation

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

	Note	2020	2019
BANK BALANCES			
----- (Rupees) -----			
In saving accounts	4.1	43,884,533	154,591,520

4.1 The rate of return on these accounts ranges from 6.50% to 8% (2019: 5.25% to 13.60%) per annum. It includes bank balance of Rs 15.623 million (2019: Rs 151.532 million) maintained with Bank Alfalah Limited (a related party).

	Note	2020	2019
INVESTMENTS			
----- (Rupees) -----			
At fair value through profit or loss			
Sukuk certificates	5.1	144,204,165	68,397,476
Term finance certificates	5.2	67,996,269	14,838,896
Government securities	5.3	945,104,807	44,417,182
Letter of placement	5.4	-	-
		<u>1,157,305,241</u>	<u>127,653,554</u>

5.1 Sukuk certificates

The nominal value of these sukuk certificates is Rs 100,000 each except for Pakistan Energy Sukuk Certificates having nominal value of Rs. 5,000 each.

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Net unrealised gain / (loss) on revaluation of investments	Market value as a percentage of		Investment as percentage of issue size	Rating
											net assets	total investment		
				----- (Number of certificates) -----				----- (Rupees) -----						
Dubai Islamic Bank Pakistan Limited (July 14, 2017)	6 Months KIBOR + 0.50%	Secured	July 14, 2027	5	-	-	5	5,093,520	5,131,171	37,651	0.43%	0.44%	0.13%	A+
International Brands Limited (November 15, 2017)	12 Months KIBOR + 0.50%	Secured	November 15, 2021	212	125	-	337	23,550,869	23,847,221	296,352	2.00%	2.06%	0.84%	AA
Dawood Hercules Corporation Limited (November 16, 2017)	3 Months KIBOR + 1.00%	Secured	November 16, 2022	140	120	120	140	9,947,680	9,897,329	(50,351)	0.83%	0.86%	0.19%	AA

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Net unrealised gain / (loss) on revaluation of investments	Market value as a percentage of		Investment as percentage of issue size	Rating
											net assets	total investment		

----- (Number of certificates) ----- ----- (Rupees) -----

Dawood Hercules Corporation Limited (March 1, 2018)	3 Months KIBOR+ 1.00%	Secured	March 1, 2023	100	-	-	100	7,980,000	8,145,789	165,789	0.68%	0.70%	0.14%	AA
The Hub Power Company Limited (February 27, 2020)	3 Months KIBOR + 1.00%	Unsecured	November 27, 2019	4,000	80	4,080	-	-	-	-	-	-	-	AA+
The Hub Power Company Limited (August 22, 2019)	3 Months KIBOR + 1.00%	Unsecured	August 22, 2023	-	260	-	260	26,470,000	26,557,655	87,655	2.23%	2.29%	0.38%	AA+
Meezan Bank Limited (September 22, 2016)	3 Months KIBOR + 1.00%	Secured	September 22, 2026	-	25	-	25	25,145,000	25,625,000	480,000	2.15%	2.21%	0.37%	AA+
Pakistan Energy Sukuk (May 21, 2020)*	6 Months KIBOR - 1.00%		May 20, 2030	-	9,000	-	9,000	45,000,000	45,000,000	-	3.77%	3.89%	0.02%	

Total as at June 30, 2020

143,187,069 144,204,165 1,017,096 12.09% 12.45% 2.07%

Total as at June 30, 2019

68,756,520 68,397,476 (359,044)

* These investments have been carried at cost as they have not been valued by MUFAP as at June 30, 2020.

5.2 Term Finance Certificates (TFCs)

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Net unrealised (loss) / gain on revaluation of investments	Market value as a percentage of		Investment as percentage of issue size	Rating
											net assets	total investment		

----- (Number of certificates) ----- ----- (Rupees) -----

The Bank of Punjab (December 23, 2016)	6 Months KIBOR + 1.00%	Unsecured	December 23, 2026	150	273	-	423	42,011,627	41,446,978	(564,649)	3.47%	3.58%	1.66%	AA-
Habib Bank Limited (February 19, 2016)	6 Months KIBOR + 0.50%	Unsecured	February 19, 2026	-	209	-	209	20,741,835	20,424,464	(317,371)	1.71%	1.76%	0.20%	AAA
JS Bank Limited (December 14, 2016)	6 Months KIBOR + 1.40%	Unsecured	December 14, 2023	-	1,250	-	1,250	6,112,680	6,124,827	12,147	0.51%	0.53%	0.20%	A

Total as at June 30, 2020

68,866,142 67,996,269 (869,873) 5.69% 5.87% 2.06%

Total as at June 30, 2019

15,321,308 14,838,896 (482,412)

5.3 Government securities

5.3.1 Market Treasury Bills

Particulars	Note	Face Value				Balance as at June 30, 2020		Unrealised gain on revaluation	Market value as a percentage of	
		As at July 01, 2019	Purchased during the year	Sold/matured during the year	As at June 30, 2020	Carrying value	Market value		net assets	total investment
(Rupees)										
Maturity upto 3 months	5.3.1.1	-	2,019,000,000	1,869,000,000	150,000,000	147,854,664	148,023,875	169,211	12.40%	12.79%
Maturity upto 6 months	5.3.1.2	-	1,144,000,000	599,000,000	545,000,000	530,279,808	531,299,286	1,019,478	44.52%	45.91%
Maturity upto 12 months	5.3.1.3	-	1,805,000,000	1,525,000,000	280,000,000	264,297,550	265,781,646	1,484,096	22.27%	22.98%
Total as at June 30, 2020		-	4,968,000,000	3,993,000,000	975,000,000	942,432,022	945,104,807	2,672,785	79.19%	81.68%
Total as at June 30, 2019		-	824,000,000	824,000,000	-	-	-	-	-	-

5.3.1.1 These represent market treasury bills with original maturity of 3 months, having issuance date from June 4, 2020 to June 18, 2020, maturity date from August 27, 2020 to September 10, 2020.

5.3.1.2 These represent market treasury bills with original maturity of 6 months, having issuance date from April 23, 2020 to June 18, 2020, maturity date from October 22, 2020 to December 17, 2020.

5.3.1.3 These represent market treasury bills with original maturity of 12 months, having issuance date from March 26, 2020 to April 23, 2020, maturity date from March 25, 2021 to April 22, 2021.

5.3.2 Pakistan Investment Bonds

Particulars	Face Value				Balance as at June 30, 2020		Unrealised loss on revaluation	Market value as a percentage of	
	As at July 01, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	Carrying value	Market value		net assets	total investment
(Rupees)									
Pakistan Investment Bonds - 03 years	50,000,000	175,000,000	225,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 05 years	-	75,000,000	75,000,000	-	-	-	-	-	-
Total as at June 30, 2020	50,000,000	250,000,000	300,000,000	-	-	-	-	-	-
Total as at June 30, 2019	-	210,000,000	160,000,000	50,000,000	44,625,531	44,417,182	(208,349)	16.07%	34.80%

5.4 Letter of placement

Name of Investee Company	Rate of return per annum	Face Value				Balance as at June 30, 2020		Unrealised gain on revaluation	Market value as a percentage of	
		As at July 01, 2019	Purchased during the year	Sold/matured during the year	As at June 30, 2020	Carrying value	Market value		net assets	total investment
(Rupees)										
Saudi Pak Industrial & Agricultural Investment Company Limited	9.20%	-	60,000,000	60,000,000	-	-	-	-	-	-
Total as at June 30, 2020		-	60,000,000	60,000,000	-	-	-	-	-	-
Total as at June 30, 2019		-	-	-	-	-	-	-	-	-

6. SECURITY DEPOSITS

	Note	2020	2019
(Rupees)			
National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	2,750,000
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
		<u>2,850,000</u>	<u>2,850,000</u>

7. PREPAYMENTS AND OTHER RECEIVABLES	Note	2020	2019
----- (Rupees) -----			
Margin trading system fee		228,123	228,101
Security margin with the NCCPL		1,819,324	1,819,324
Mark-up / return receivable on:			
- Bank balances		401,207	550,814
- Term finance certificates and sukuk certificates		3,931,666	2,369,488
- Pakistan Investment Bonds		-	1,699,806
Advance tax	7.1	279,384	279,384
		<u>6,659,704</u>	<u>6,946,917</u>

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. Withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs. 0.279 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8. PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	8.1	813,907	322,640
Sindh sales tax payable on management remuneration	8.2	1,459,795	1,394,243
Federal excise duty on management remuneration	8.3	9,778,882	9,778,882
Sales load payable to management company		48,584	48,584
Payable against allocated expenses	8.4	125,663	11,319
Selling and marketing expenses	8.5	303,347	297,307
		<u>12,530,178</u>	<u>11,852,975</u>

- 8.1 The Management Company charges fee at the rate of 10% of the gross earnings of the Scheme, calculated on a daily basis, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Scheme.
- 8.2 During the year, an amount of Rs. 0.614 million (2019: Rs. 0.447 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.55 million (2019: Rs. 0.453 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 9.778 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund as at June 30, 2020 would have been higher by Rs 0.92 (2019: Rs 3.98) per unit.

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 8.5 The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the year, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

	Note	2020	2019
----- (Rupees) -----			
9. PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	9.1	76,838	56,219
Sindh sales tax payable on trustee remuneration	9.2	9,989	28,372
Central Depository System Transaction Fee		73,390	19,291
		<u>160,217</u>	<u>103,882</u>

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

Existing Tariff (for the year ended June 30, 2019)		Revised tariff (for the year ended June 30, 2020)
Net Assets (Rs.)	Fee	
- Up to Rs 1 billion	0.17% p.a. of net assets	0.075% p.a. of net assets
-Rs 1 billion to Rs 5 billion	Rs 1.7 million plus 0.085% p.a of net assets exceeding Rs 1 billion	
- Over Rs 5 billion	Rs. 5.1 million plus 0.07% p.a of net assets exceeding Rs. 5 billion	

10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	10.1	<u>86,941</u>	<u>260,021</u>
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- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to Income Fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current year.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund	11.1	3,607,716	2,469,370
Annual rating fee		10,552	284,015
Withholding tax payable		183,851	208,688
Auditors' remuneration		182,881	127,913
Sales load payable		355,281	74,004
Capital gain tax payable		32,328	49,147
Printing charges		90,012	89,270
Clearing charges		48,767	65,503
Brokerage and settlement charges		116,981	17,311
		<u>4,628,369</u>	<u>3,385,221</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of the Fund as at June 30, 2020 would have been higher by Re 0.34 (2019: Re 1) per unit.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

13. PROFIT / MARK UP INCOME	2020	2019
	----- (Rupees) -----	
Profit / mark up income on:		
- Bank balances	8,419,659	20,292,178
- Term finance certificates and sukuku	15,874,638	8,052,505
- Market Treasury Bills	22,127,603	2,029,886
- Pakistan Investment Bonds	4,274,167	506,880
- GoP Ijara Sukuk	144,980	-
- Letter of Placement	468,822	-
- Term deposit receipts	-	1,612,671
- Margin trading system	298,054	2,149,496
- Others	168,558	30,194
	<u>51,776,481</u>	<u>34,673,810</u>
14. AUDITORS' REMUNERATION		
Audit fee	120,000	120,000
Review and other certifications	110,000	110,000
	230,000	230,000
Out of pocket expenses	26,568	26,568
Sindh sales tax	20,525	20,525
	<u>277,093</u>	<u>277,093</u>
15. TAXATION		

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 1.75% (2019: 2.27%) which includes 0.43% (2019: 0.37%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

17. CASH AND CASH EQUIVALENTS	2020	2019
	----- (Rupees) -----	
Bank balances	43,884,533	154,591,520
Market treasury bills maturing within 3 months	148,023,875	-
	<u>191,908,408</u>	<u>154,591,520</u>

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

18.1 Unit Holders' Fund

Note	2020									
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020
	Units					(Rupees)				
Associated companies / undertakings										
	94,742	10,985	-	19,469	86,258	10,656,998	1,235,756	-	2,200,000	9,722,674
Alfalah GHP Prosperity Planning Fund										
Alfalah GHP Investment Management Limited	18.1.1	1,451,223	-	180,034	1,631,257	163,241,690	-	20,251,257	-	183,869,090
Key management personnel (Employees)										
Head of Retail Sales	-	1,598	217	-	1,815	-	200,000	24,429	-	204,580
Unit holder holding 10% or more units										
Abdul sattar edhi foundation	18.1.1	-	3,899,876	566,156	4,466,032	-	500,433,671	63,684,354	-	503,394,156
Abdul saeed	18.1.1	-	1,318,954	189,699	1,503,196	-	168,563,057	21,338,444	700,000	169,434,541
	2019									
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed/c onversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019
	Units					(Rupees)				
Associated companies / undertakings										
	1,833,005	3,839,540	94,214	5,672,018	94,741	215,080,591	431,600,000	10,552,530	639,489,563	10,656,998
Alfalah GHP Prosperity Planning Fund										
Alfalah GHP Investment Management Limited		1,306,668	1,729	142,826	1,451,223	153,321,418	195,354	16,035,523	-	163,241,690
Unit holder holding 10% or more units										
Syed Ahsan Ali Gauhar Jee Foundation		255,808	-	26,738	282,546	30,015,977	-	3,002,332	-	31,782,356

18.1.1 This reflects the position of related party / connected persons status as at June 30, 2020.

18.2 Other transactions

	2020	2019
	(Rupees)	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	4,723,205	3,441,583
Sindh sales tax on remuneration of the Management Company	614,017	447,412
Sales load	1,492,832	6,041
Allocated expenses	435,942	347,367
Selling and marketing expenses payable	611,734	756,971

	2020	2019
	----- (Rupees) -----	
Alfalah GHP Value Fund		
Term Finance Certificate - purchased	12,022,292	-
Term Finance Certificate - sold	-	29,592,234
Sukuks - sold	-	16,784,100
Pakistan Investment Bonds - purchased	22,175,875	-
Market Treasury Bills - sold	231,196,855	-
Alfalah GHP Sovereign Fund		
Market Treasury Bills - purchased	147,054,440	29,602,970
Market Treasury Bills - sold	214,540,705	-
Pakistan Investment Bonds - sold	24,831,400	-
Alfalah GHP Money Market Fund		
Market Treasury Bills - purchased	467,214,302	23,524,628
Market Treasury Bills - sold	993,020,542	23,806,248
Sukuks - sold	2,000,000	-
Alfalah GHP Income Multiplier Fund		
Market Treasury Bills - sold	13,403,970	-
Alfalah GHP Capital Preservation Fund - II		
Market Treasury Bills - purchased	55,084,570	-
Market Treasury Bills - sold	159,727,725	-
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	19,833,780	-
Market Treasury Bills - sold	22,725,426	-
Alfalah GHP Stock Fund		
Market Treasury Bills - purchased	34,271,335	-
Market Treasury Bills - sold	53,489,095	-
Alfalah GHP Islamic Income Fund		
Sukuk Certificates	39,880,000	-
Bank Alfalah Limited		
Market Treasury Bills - purchased	149,541,900	-
Pakistan Investment Bonds - purchased	129,920,600	-
Profit on bank balances	3,594,424	3,521,637
Bank charges	37,179	647
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	326,087	649,336
Sindh sales tax on remuneration of the Trustee	42,392	84,446
CDS charges	60,661	49,357

18.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	813,907	322,640
Sindh sales tax payable on management remuneration	1,459,795	1,394,243
Federal excise duty on management remuneration	9,778,882	9,778,882
Sales load payable	48,584	48,584
Payable against allocated expenses	125,663	11,319
Selling and marketing expenses payable	303,347	297,307

	2020	2019
	----- (Rupees) -----	
Bank Alfalah Limited		
Bank balance	15,623,119	151,532,524
Profit receivable	6,975	50,612
Sales load payable	355,281	74,004
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	76,838	56,219
Sindh sales tax payable on trustee remuneration	9,989	28,372
CDS transaction Fee	73,390	19,291
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised Cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	43,884,533	-	43,884,533
Investments	-	1,157,305,241	1,157,305,241
Security deposits	2,850,000	-	2,850,000
Other receivables	6,152,197	-	6,152,197
	<u>52,886,730</u>	<u>1,157,305,241</u>	<u>1,210,191,971</u>

Particulars	2020		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	12,530,178	12,530,178
Payable to the Trustee	-	160,217	160,217
Accrued expenses and other liabilities	-	804,474	804,474
	<u>-</u>	<u>13,494,869</u>	<u>13,494,869</u>

Particulars	2019		
	At amortised Cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	154,591,520	-	154,591,520
Investments	-	127,653,554	127,653,554
Security deposits	2,850,000	-	2,850,000
Other receivables	6,439,432	-	6,439,432
	<u>163,880,952</u>	<u>127,653,554</u>	<u>291,534,506</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	11,852,975	11,852,975
Payable to the Trustee	-	103,882	103,882
Accrued expenses and other liabilities	-	658,016	658,016
	<u>-</u>	<u>12,614,873</u>	<u>12,614,873</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

20.1 Market risk

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

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

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

20.1.1 Currency risk

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

20.1.2 Interest rate risk

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

	2020	2019
	----- Rupees -----	
Variable rate instruments (financial assets)		
Bank balances	43,884,533	154,591,520
Sukuk certificates	144,204,165	68,397,476
Term finance certificates	67,996,269	14,838,896
	<u>256,084,967</u>	<u>237,827,892</u>
Fixed rate instruments (financial assets)		
Market treasury bills	945,104,807	-
Pakistan investment bonds	-	44,417,182
	<u>945,104,807</u>	<u>44,417,182</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.043 million (2019: Rs 0.029 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs Nil (2019: Rs 0.017 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

Particulars	2020					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	5.5% - 8%	43,884,533	-	-	-	43,884,533
Investments						
- Sukuk certificates	8.15% - 13.65%	-	-	144,204,165	-	144,204,165
- Market treasury bills	7.05% - 7.10%	148,023,875	797,080,932	-	-	945,104,807
- Term finance certificates	8.68% - 13.99%	-	-	67,996,269	-	67,996,269
		148,023,875	797,080,932	212,200,434	-	1,157,305,241
Security deposits		-	-	-	2,850,000	2,850,000
Other receivables		-	-	-	6,152,197	6,152,197
Sub total		191,908,408	797,080,932	212,200,434	9,002,197	1,210,191,971

Financial liabilities

Payable to the Management Company		-	-	-	12,530,178	12,530,178
Payable to the Trustee		-	-	-	160,217	160,217
Accrued expenses and other liabilities		-	-	-	804,474	804,474
Sub total		-	-	-	13,494,869	13,494,869

On-balance sheet gap 191,908,408 797,080,932 212,200,434 (4,492,672) 1,196,697,102

Total interest rate sensitivity gap 191,908,408 797,080,932 212,200,434 (4,492,672) 1,196,697,102

Cumulative interest rate sensitivity gap 191,908,408 988,989,340 1,201,189,774

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

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	5.25% - 13.6%	154,591,520	-	-	-	154,591,520
Investments						
- Sukuk certificates	6.70% - 13.88%	47,632,076	20,765,400	-	-	68,397,476
- Term finance certificates	6.92% - 14.06%	-	14,838,896	-	-	14,838,896
- Pakistan investment bonds	7.25%	-	-	44,417,182	-	44,417,182
		47,632,076	35,604,296	44,417,182	-	127,653,554
Security deposits		-	-	-	2,850,000	2,850,000
Other receivables		-	-	-	6,439,432	6,439,432
Sub total		202,223,596	35,604,296	44,417,182	9,289,432	291,534,506

Financial liabilities

Payable to the Management Company		-	-	-	11,852,975	11,852,975
Payable to the Trustee		-	-	-	103,882	103,882
Accrued expenses and other liabilities		-	-	-	658,016	658,016
Sub total		-	-	-	12,614,873	12,614,873

On-balance sheet gap 202,223,596 35,604,296 44,417,182 (3,325,441) 278,919,633

Total interest rate sensitivity gap 202,223,596 35,604,296 44,417,182 (3,325,441) 278,919,633

Cumulative interest rate sensitivity gap 202,223,596 237,827,892 282,245,074

20.1.3 Price risk

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

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

20.2 Credit risk

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

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

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and	Maximum exposure	Balance as per statement of assets and	Maximum exposure
Bank balances	43,884,533	43,884,533	154,591,520	154,591,520
Investments	1,157,305,241	167,200,434	127,653,554	83,236,372
Security deposits	2,850,000	2,850,000	2,850,000	2,850,000
Other receivables	6,152,197	6,152,197	6,439,432	6,439,432
	<u>1,210,191,971</u>	<u>220,087,164</u>	<u>291,534,506</u>	<u>247,117,324</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government Securities of Rs. 990.104 million (2019: Rs 44.417 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks (including profit receivable) having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2020	2019
			Percentage of total bank balances	
Bank Alfalah Limited	PACRA	A1+	35.641%	97.706%
JS Bank Limited	PACRA	A1+	0.234%	0.667%
Allied Bank Limited	PACRA	A1+	41.019%	0.571%
Soneri Bank Limited	PACRA	A1+	0.073%	0.472%
National Bank of Pakistan	PACRA	A1+	1.814%	0.338%
BankIslami Pakistan Limited	PACRA	A1	19.395%	0.006%
Habib Bank Limited	VIS	A-1+	0.604%	0.097%
MCB Bank Limited	PACRA	A1+	0.049%	0.014%
Habib Metropolitan Bank Limited	PACRA	A1+	0.011%	0.003%
Telenor Microfinance Bank Limited	PACRA	A1	0.022%	0.006%
Zarai Taraqati Bank Limited	VIS	A-1+	1.023%	0.052%
Samba Bank Limited	VIS	A-1	0.109%	0.012%
CDC IPS Account	N/A	N/A	0.001%	0.056%
			<u>100.00%</u>	<u>100.00%</u>

20.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2020 with entities having following credit ratings:

Name of Entity	Rating agency	Rating	2020	2019
			Percentage of total balance	
Meezan Bank Limited	VIS	AA+	12.08%	-
Pakistan Energy Sukuk	N/A	Not rated	21.21%	-
JS Bank Limited	PACRA	A	2.89%	-
The Bank of Punjab	PACRA	AA-	19.53%	17.83%
Habib Bank Limited	VIS	AAA	9.63%	-
Dubai Islamic Bank Limited	VIS	A+	2.42%	6.12%
International Brands Limited	VIS	AA	11.24%	24.95%
Dawood Hercules Corporation Limited	PACRA	AA	8.50%	27.08%
The Hub Power Company Limited	PACRA	AA+	12.52%	24.03%
			<u>100%</u>	<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

20.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

20.3 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
Rupees					
Financial assets					
Bank balances	43,884,533	-	-	-	43,884,533
Investments	-	148,023,875	797,080,932	212,200,434	1,157,305,241
Security deposits	2,850,000	-	-	-	2,850,000
Other receivables	6,152,197	-	-	-	6,152,197
	<u>52,886,730</u>	<u>148,023,875</u>	<u>797,080,932</u>	<u>212,200,434</u>	<u>1,210,191,971</u>
Financial liabilities					
Payable to the Management Company	12,530,178	-	-	-	12,530,178
Payable to the Trustee	160,217	-	-	-	160,217
Accrued expenses and other liabilities	804,474	-	-	-	804,474
	<u>13,494,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,494,869</u>
Net assets	<u>39,391,861</u>	<u>148,023,875</u>	<u>797,080,932</u>	<u>212,200,434</u>	<u>1,196,697,102</u>

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	154,591,520	-	-	-	154,591,520
Investments	-	-	20,000,000	107,653,554	127,653,554
Security deposits	2,850,000	-	-	-	2,850,000
Other receivables	6,439,432	-	-	-	6,439,432
	163,880,952	-	20,000,000	107,653,554	291,534,506
Financial liabilities					
Payable to the Management Company	11,852,975	-	-	-	11,852,975
Payable to the Trustee	103,882	-	-	-	103,882
Accrued expenses and other liabilities	658,016	-	-	-	658,016
	12,614,873	-	-	-	12,614,873
Net assets	151,266,079	-	20,000,000	107,653,554	278,919,633

20.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2020 and June 30, 2019, the Fund held the following financial instruments measured at fair values:

	----- 2020 -----			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	----- Rupees -----			
Investments				
Sukuk certificates	-	144,204,165	-	144,204,165
Term finance certificates	-	67,996,269	-	67,996,269
Market treasury bills	-	945,104,807	-	945,104,807
	-	1,157,305,241	-	1,157,305,241
	----- 2019 -----			
Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3	Total
Investments	----- Rupees -----			
Sukuk certificates	-	68,397,476	-	68,397,476
Term finance certificates	-	14,838,896	-	14,838,896
Pakistan investment bonds	-	44,417,182	-	44,417,182
	-	127,653,554	-	127,653,554

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20.5 Unit holder's fund management

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

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

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

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

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

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

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

22 CORRESPONDING FIGURES

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

23 GENERAL

23.1 Regulatory reliefs due to COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

23.2 Operational Risk Management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

23.3 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

24 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **August 24, 2020**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	213	2,260,731	254,832,686	21%
Associated Co./ Directors	2	1,631,257	183,870,000	15%
Banks/Dfis	3	382,110	43,070,000	4%
Insurance Co.	4	949,059	106,970,000	9%
Retirement & Other Funds	12	557,078	62,790,000	5%
Others	12	4,806,478	541,761,087	45%
	246	10,586,713	1,193,293,773	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	117	253,038	28,463,154	20%
Associated Co./ Directors	2	1,451,222	163,241,621	28%
Banks/Dfis	2	13,759	1,547,658	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	7	211,818	23,826,434	3%
Others	11	527,721	59,361,026	48%
	139	2,457,558	276,439,892	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Next Capital Limited	49
Continental Exchange (Pvt) Limited	32
Invest One Markets Limited	25
Bright Capital (Pvt.) Limited	20
Vector Capital Limited	6
Magenta Capital Limited	5
ICON Management Limited	5
Arif Habib Limited	2
C & M Management Limited	2
BIPL Securities Limited	2
	30 June 2019
	%
BIPL Securities Limited	51
Continental Exchange (Pvt) Limited	18
Invest One Markets Limited	18
JS Global Capital Limited	12

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

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

PERFORMANCE TABLE - AGHPIF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	(Rupees in '000)				
Net Assets	1,193,294	276,440	545,115	762,809	638,840
NAV per unit	112.7162	112.4856	117.3377	111.9719	110.7178
Selling price per unit	113.9899	113.7567	118.6636	113.2372	112.1819
Redemption price per unit	112.7162	112.4856	117.3377	111.9719	110.7178
Highest selling price per unit	130.3594	121.8312	118.6455	117.8329	114.9197
Highest redemption price per unit	128.9028	120.4699	117.3198	116.5163	113.4198
Lowest selling price per unit	113.8146	113.0394	113.5624	111.5416	106.7380
Lowest redemption price per unit	112.5429	111.7763	112.2935	110.2953	105.3449
Total interim distribution per unit	Nil	Nil	Nil	4.5031	2.6173
Interim distribution date	N/A	N/A	N/A	22-Jun-17	29-Jun-16
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	16.42	8.11	5.37	Nil	Nil
Final distribution date	24-Jun-20	30-Jun-19	2-Jul-18	N/A	N/A
Annualized returns %	14.83%	7.70%	4.79%	5.20%	7.56%
Income distribution %	14.59%	7.24%	4.79%	4.07%	2.48%
Weighted avg. portfolio duration (Days)	505 Days	501 Days	211 Days	341 Days	720 Days

Return since inception is 9.21%

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



**Alfalah GHP
Income Multiplier Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Income Multiplier Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Aggressive Income Scheme

Investment Objective

The investment objective of Alfalah GHP Income Multiplier Fund (AGIMF) is to generate stable and consistent returns while seeking capital preservation through a diversified portfolio of high quality debt securities and liquid money market instruments and placements.

Accomplishment of Objective

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

Money Market Review

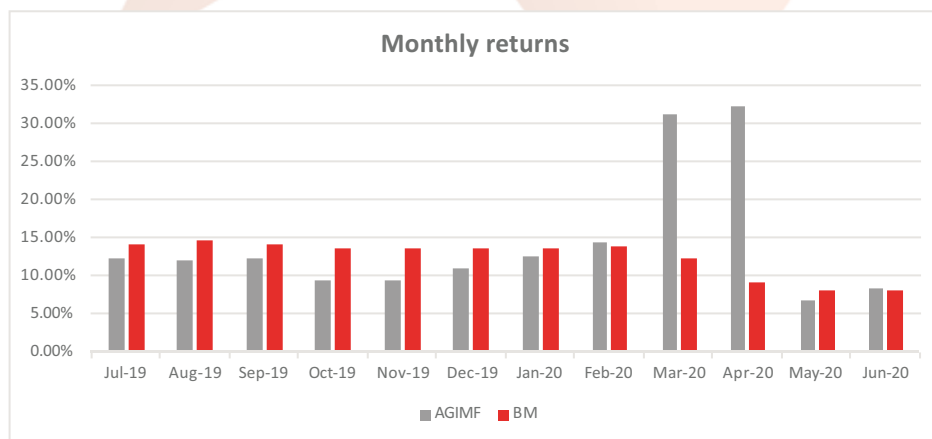
Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

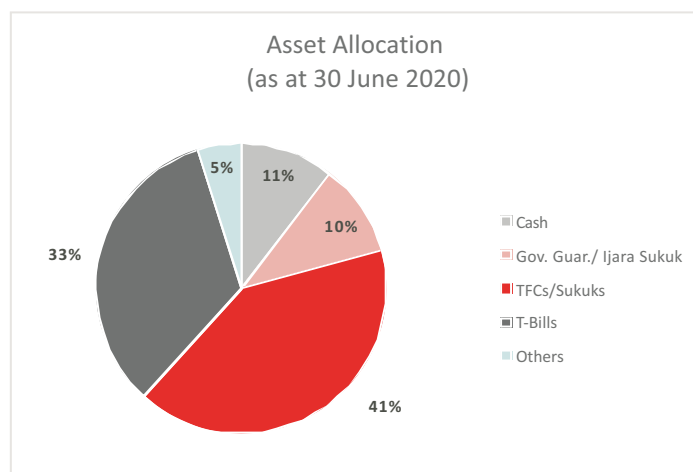
The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

Fund performance review and strategies employed

For the year ended June 30 2020, the fund posted a return of 15.26% against the benchmark of 12.27%. During the period, the fund maintained its exposure in corporate securities along with higher duration Government Securities in order to outperform the benchmark return.





Credit Quality (as % of Total Assets)			
Gov. Sec / Guar.	43.7%	A	0.1%
AAA	11.7%	A-	0.1%
AA+	5.0%	BBB+	0.0%
AA	16.2%	BBB	0.0%
AA-	10.5%	Below IG	0.0%
A+	7.7%	MTS/NR/UR	4.9%

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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

Head Office

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TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP INCOME MULTIPLIER FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Income Multiplier Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

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

A handwritten signature in black ink, appearing to read 'Badiuddin Akber', is written over a vertical line.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2020

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Income Multiplier Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Income Multiplier Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 206.72 million and bank balances aggregated to Rs 29.55 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">Tested the design and operating effectiveness of the key controls for valuation of investments;Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; andObtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP INCOME MULTIPLIER FUND

STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Assets			
Bank balances	4	29,552,283	190,299,044
Investments	5	206,715,838	185,651,763
Security deposits	6	2,850,000	2,850,000
Mark-up and other receivables	7	4,742,641	9,823,867
Receivable from the Management Company - net	8	-	433,576
Total assets		243,860,762	389,058,250
Liabilities			
Payable to the Management Company	9	15,474,032	15,286,353
Payable to the Trustee	10	17,468	49,146
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	58,989	313,448
Accrued expenses and other liabilities	12	10,372,119	8,415,436
Total liabilities		25,922,608	24,064,383
Net assets attributable to unit holders		217,938,154	364,993,867
Unit holders' fund (as per the statement attached)		217,938,154	364,993,867
Contingencies and commitments			
	13	----- (Number of units) -----	
Number of units in issue		4,093,035	6,852,199
Net asset value per unit			
		53.2461	53.2667

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Income			
Profit / mark-up income	14	40,968,012	41,823,683
Gain / (loss) on sale of investments - net		8,138,551	(6,513,556)
Unrealised gain on revaluation of investments classified as ' at fair value through profit or loss'- net	5.4	902,800	(1,865,994)
Other income		-	42,948
Total income		<u>50,009,363</u>	<u>33,487,081</u>
Expenses			
Remuneration of the Management Company	9.1	3,687,617	4,472,199
Sindh sales tax on remuneration of the Management Company	9.2	479,390	581,387
Allocated expenses	9.4	294,934	417,920
Selling and marketing expenses	9.5	1,179,733	1,111,682
Remuneration of the Trustee	10.1	221,260	710,122
Sindh sales tax on remuneration of the Trustee	10.2	28,764	92,316
Annual fee to the Securities and Exchange Commission of Pakistan	11	58,989	313,448
Brokerage expense		53,152	125,495
Bank and settlement charges		380,150	223,146
Fees and subscriptions		652,943	992,892
Auditor's remuneration	15	278,892	306,384
Printing charges		-	35,000
Provision for Sindh Workers' Welfare Fund	12.1	853,871	482,102
Total expenses		<u>8,169,695</u>	<u>9,864,093</u>
Net income for the year before taxation		<u>41,839,668</u>	<u>23,622,988</u>
Taxation	17	-	-
Net income for the year after taxation		<u>41,839,668</u>	<u>23,622,988</u>
Allocation of net income for the year			
Net income for the year after taxation		41,839,668	23,622,988
Income already paid on units redeemed		(13,747,108)	(9,175,094)
		<u>28,092,560</u>	<u>14,447,894</u>
Accounting income available for distribution			
- Relating to capital gains		7,471,695	-
- Excluding capital gains		20,620,865	14,447,894
		<u>28,092,560</u>	<u>14,447,894</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income for the year after taxation	41,839,668	23,622,988
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>41,839,668</u></u>	<u><u>23,622,988</u></u>

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



For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP INCOME MULTIPLIER FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
Net assets at the beginning of the year	229,808,583	135,185,284	364,993,867	494,843,282	160,755,575	655,598,857
Issuance of 4,162,151 units (2019: 20,078,693 units)						
- Capital value (at net asset value per unit at the beginning of the year)	221,704,049	-	221,704,049	1,069,190,394	-	1,069,190,394
- Element of income	7,725,917	-	7,725,917	8,752,338	-	8,752,338
	229,429,966	-	229,429,966	1,077,942,732	-	1,077,942,732
Redemption of 6,921,315 units (2019: 24,962,431 units)						
- Capital value (at net asset value per unit at the beginning of the year)	368,675,610	-	368,675,610	1,329,249,446	-	1,329,249,446
- Element of loss	6,814,429	13,747,108	20,561,537	1,635,533	9,175,094	10,810,626
	375,490,039	13,747,108	389,237,147	1,330,884,979	9,175,094	1,340,060,073
Total comprehensive income for the year	-	41,839,668	41,839,668	-	23,622,988	23,622,988
Final distribution for the year ended June 30, 2020 @ Rs. 8.1534 per unit on June 27, 2020 (June 30, 2019: @ Rs 3.3186 per unit on June 30, 2019)	(911,364)	(28,176,836)	(29,088,200)	(7,726,290)	(13,725,387)	(21,451,677)
Final distribution for the year ended June 30, 2018 @ Rs. 2.6142 per unit on July 2, 2018	-	-	-	(4,366,162)	(26,292,798)	(30,658,960)
	(911,364)	(28,176,836)	(29,088,200)	(12,092,452)	(40,018,185)	(52,110,637)
Net assets at the end of the year	82,837,146	135,101,008	217,938,154	229,808,583	135,185,284	364,993,867
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		137,051,278			160,771,216	
- Unrealised (loss) / income		(1,865,994)			(15,641)	
		135,185,284			160,755,575	
Accounting income available for distribution						
- Relating to capital gains	7,471,695			-		
- Excluding capital gains	20,620,865			14,447,894		
	28,092,560			14,447,894		
Distributions during the year	(28,176,836)			(40,018,185)		
Undistributed income carried forward		135,101,008			135,185,284	
Undistributed income carried forward						
- Realised income		134,198,208			137,051,278	
- Unrealised loss		902,800			(1,865,994)	
		135,101,008			135,185,284	
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the year	<u>53.2667</u>			<u>55.8625</u>		
Net asset value per unit at the end of the year	<u>53.2461</u>			<u>53.2667</u>		

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		41,839,668	23,622,988
Adjustments for:			
Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' -net		(902,800)	1,865,994
Provision for Sindh Workers' Welfare Fund		853,871	482,102
		<u>41,790,739</u>	<u>25,971,084</u>
(Increase) / decrease in assets			
Investments - net		32,141,424	283,591,278
Mark-up and other receivables		5,081,226	1,685,053
Receivable from the Management Company - net		433,576	(433,576)
Receivable against Margin Trading System (MTS)		-	1,131,526
		<u>37,656,226</u>	<u>285,974,281</u>
(Decrease) / increase in liabilities			
Payable to the Management Company		187,679	(1,093,381)
Payable to the Trustee		(31,678)	(25,139)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(254,459)	(874,370)
Payable against purchase of investments		-	(7,821,675)
Accrued expenses and other liabilities		1,102,812	(551,959)
		<u>1,004,354</u>	<u>(10,366,524)</u>
Net cash generated from operating activities		<u>80,451,319</u>	<u>301,578,841</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		229,429,966	1,065,850,280
Amount paid against redemption of units		(389,237,147)	(1,340,060,073)
Dividend paid		(29,088,200)	(40,018,185)
Net cash used in financing activities		<u>(188,895,381)</u>	<u>(314,227,978)</u>
Net decrease in cash and cash equivalents during the year		<u>(108,444,062)</u>	<u>(12,649,137)</u>
Cash and cash equivalents at beginning of the year		190,299,044	202,948,181
Cash and cash equivalents at end of the year	16	<u><u>81,854,982</u></u>	<u><u>190,299,044</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP INCOME MULTIPLIER FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Income Multiplier Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on March 08, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on February 14, 2007. The SECP approved the second Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/NBFC-II/AGIMF/573/2010 dated October 13, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Income Multiplier Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in debt and money market securities. The Fund invests in debt instruments, money market securities and interest bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (positive outlook) dated August 9, 2019 to the Management Company and a stability rating of A+(f) dated Apr 17, 2020 to the Fund.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of financial assets (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.2)
- Taxation (notes 3.7 and 17)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.1.2 Equity instruments

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

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL.

Accordingly, the irrevocable option has not been considered.

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

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

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

3.3.2 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.3.2.1 Impairment loss on debt securities

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

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

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

Deferred

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

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement at the date at which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Income on sukuk certificates, term finance certificates and government securities are recognised on time proportion basis using the effective yield except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by SECP for which the income is recorded on receipt basis.
- Unrealised gains / (losses) arising on revaluation of investments classified as at fair value through profit or loss are included in the income statement in the period in which they arise.

3.13 Expenses

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

3.14 Earnings per unit

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

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

3.15 Margin Trading System

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

3.16 Foreign currency translation

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

4 BANK BALANCES	Note	2020 ----- (Rupees) -----	2019
Saving accounts	4.1	<u>29,552,283</u>	<u>190,299,044</u>

4.1 These balances in saving deposit accounts carry profit rates ranging from 5.50% to 8% (2019: 6.80% to 13.60%) per annum. This includes Rs 8.37 million (2019: Rs 188.040 million) placed with Bank Alfalah Limited (a related party).

5 INVESTMENTS

At fair value through profit or loss

Term finance certificates	5.1	<u>53,508,033</u>	<u>74,012,244</u>
Sukuk certificates	5.2	<u>71,546,806</u>	<u>89,430,895</u>
Government securities	5.3	<u>81,660,999</u>	<u>22,208,624</u>
		<u>206,715,838</u>	<u>185,651,763</u>

5.1 Term finance certificates

Name of the investee company	Secured / Unsecured	Maturity	Profit / mark-up rate per annum	As at July 01, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised loss as at June 30, 2020	Market value as a percentage of:		
											Net assets of the Fund	Total investments	Size of issue
				----- (Number of certificates) -----				----- (Rupees) -----					
Askari Bank Limited (September 30, 2014)	Unsecured	September 30, 2024	6M KIBOR + 1.20%	1,458	-	-	1,458	7,112,879	6,838,759	(274,120)	3.14%	3.31%	0.17%
Habib Bank Limited (February 19, 2016)	Unsecured	February 19, 2026	6M KIBOR + 0.50%	129	-	35	94	9,238,762	9,187,962	(50,800)	4.22%	4.44%	0.09%
JS Bank Limited (December 14, 2016)	Secured	December 16, 2023	6M KIBOR + 1.40%	5,100	-	1,250	3,850	19,310,188	18,864,466	(445,722)	8.66%	9.13%	0.63%
The Bank of Punjab (December 23, 2016)	Unsecured	December 23, 2026	6M KIBOR + 1.00%	239	-	49	190	18,735,387	18,616,846	(118,541)	8.54%	9.01%	0.74%
TPL Corporation Limited (December 12, 2016)	Unsecured	December 12, 2019	3M KIBOR + 1.50%	150	-	150	-	-	-	-	-	-	-
As at June 30, 2020								<u>54,397,216</u>	<u>53,508,033</u>	<u>(889,183)</u>	<u>24.55%</u>	<u>25.88%</u>	
As at June 30, 2019								<u>75,107,145</u>	<u>74,012,244</u>	<u>(1,094,901)</u>			

5.2 Sukuk certificates

The nominal value of these sukuk certificates is Rs 100,000 each except for Pakistan Energy Sukuk Certificates having nominal value of Rs. 5,000 each.

Name of the investee company	Secured / Unsecured	Maturity	Profit / mark-up rate per annum	As at July 01, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised (loss) / gain as at June 30, 2020	Market value as a percentage of:		
											Net assets of the Fund	Total investments	Size of issue
----- (Number of certificates) -----							----- (Rupees) -----						
Dubai Islamic Bank Pakistan Limited (July 14, 2017)	Secured	July 14, 2027	6M KIBOR + 0.50%	19	-	19	-	-	-	-	-	-	-
Dawood Hercules Corporation Limited (November 16, 2017)	Secured	November 16, 2022	3M KIBOR + 1.00%	130	-	-	130	9,245,600	9,190,377	(55,223)	4.22%	4.45%	0.18%
Dawood Hercules Corporation Limited (March 1, 2018)	Secured	March 1, 2023	3M KIBOR + 1.00%	60	-	-	60	4,800,300	4,887,289	86,989	2.24%	2.36%	0.08%
International Brands Limited (November 15, 2017)	Secured	November 15, 2021	12M KIBOR + 0.50%	280	-	-	280	19,852,595	20,194,002	341,407	9.27%	9.77%	0.71%
The Hub Power Company Limited (August 22, 2019)	Unsecured	August 22, 2023	3M KIBOR + 1.00%	70	-	-	70	7,052,500	7,150,138	97,638	3.28%	3.46%	0.18%
Meezan Bank Limited - Sukuk (September 22, 2016)	Secured	September 22, 2026	6M KIBOR + 0.50%	-	5	-	5	4,990,000	5,125,000	135,000	2.35%	2.48%	0.07%
Pakistan Energy Sukuk (May 21, 2020) *	Secured	May 20, 2030	6M KIBOR + 0.50%	-	5,000	-	5,000	25,000,000	25,000,000	-	11.47%	12.10%	0.01%
As at June 30, 2020								70,940,995	71,546,806	605,811	32.83%	34.62%	
As at June 30, 2019								90,082,651	89,430,895	(651,756)			

* These investments are carried at cost as they were not valued by MUFAP as at June 30, 2020.

5.3 Government Securities

5.3.1 Market Treasury bills

Particulars	Note	As at July 01, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain as at June 30, 2020	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
Maturity upto 6 months	5.3.1.1	-	30,000,000	-	30,000,000	29,355,016	29,358,300,284		13.47%	14.20%
Maturity upto 12 months	5.3.1.2	-	55,000,000	-	55,000,000	51,119,811	52,302,699	1,182,888	24.00%	25.30%
As at June 30, 2020						80,474,827	81,660,999	1,186,172	37.47%	39.50%
As at June 30, 2019						-	-	-	-	-

5.3.1.1 These represent market treasury bills with original maturity of 6 months, having issuance date of April 23, 2020, maturity date of October 22, 2020.

5.3.1.2 These represent market treasury bills with original maturity of 12 months, having issuance date of March 26, 2020, maturity date of March 25, 2021.

5.3.2 Pakistan Investment Bonds

Particulars	As at July 01, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised (loss) / gain as at June 30, 2020	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
	----- (Face value) -----				----- (Rupees) -----			----- % -----	
Pakistan Investment Bonds - 03 years	25,000,000	200,000,000	225,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 05 years	-	75,000,000	75,000,000	-	-	-	-	-	-
As at June 30, 2020									
As at June 30, 2019					22,327,961	22,208,624	(119,337)		

5.4 Unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss' - net

	Note	2020	2019
		----- (Rupees) -----	
Market value of investment as at June 30	5.1, 5.2 and 5.3	206,715,838	185,651,763
Less: Carrying value of investment as at June 30	5.1, 5.2 and 5.3	(205,813,038)	(187,517,757)
		<u>902,800</u>	<u>(1,865,994)</u>

5.5 Term finance certificates - Impaired

Name of the investee company	Secured / Unsecured	Maturity	Profit / mark-up rate	As at July 01, 2019	Purchased during the year	Sold / matured during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Impairment as at June 30, 2020	Market value as at June 30, 2020	Market value as a percentage of:		
											net assets of the Fund	total investments	size of issue
				----- (Number of certificates) -----				----- (Rupees) -----			----- (%) -----		
Trust Investment Bank Limited (note 5.5.1)	Unsecured	July 2013	6M KIBOR + 1.85%	8,000	-	-	8,000	14,994,000	14,994,000	-	-	-	-
Agritech Limited (note 5.5.2)	Secured	November 2017	6M KIBOR + 1.75%	17,950	-	-	17,950	89,666,353	89,666,353	-	-	-	-
Agritech Limited-IV (note 5.5.3)	Secured	January 2015	Zero Coupon	4,094	-	-	4,094	20,470,000	20,470,000	-	-	-	-
As at June 30, 2020								125,130,353	125,130,353	-	-	-	-
As at June 30, 2019								125,130,353	125,130,353	-	-	-	-

5.5.1 These term finance certificates defaulted on their payment of principal and mark-up due on July 04, 2012. Consequently, the security was classified as non-performing by MUFAP on October 18, 2012. Accordingly, accrual of mark-up on these TFCs had been suspended and mark-up due amounting Rs 1.437 million had been reversed and full provision has been made in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

5.5.2 In prior years, a restructuring agreement was signed between Agritech Limited and the Investment Agent of the term finance certificates, whereby, certain terms included in the original trust deed dated November 15, 2007 were amended, including the repayment period which was extended from November 29, 2014 to November 29, 2017. Consequently, the security was classified as non-performing by MUFAP on June 14, 2010 and accrual of income on these TFCs was suspended. Accordingly, the security had been fully provided in accordance with the requirements of SECP circulars and directives issued from time to time and the Board's approved provisioning policy.

5.5.3 This represents additional certificates of Agritech Limited received by the Fund through restructuring agreement reached between lenders and Agritech Limited. Under such agreement, outstanding mark up due on May 29, 2011 and July 13, 2011 against 1st and 2nd issue respectively amounting to Rs 20.47 million was settled in the form of certificates valuing Rs 20.47 million. This investment has been fully provided since these have been received in lieu of suspended overdue mark-up to be recognised to income upon realisation.

	Note	2020	2019
----- (Rupees) -----			
Opening balance		125,130,353	125,130,353
Add: Provision		-	-
Less: Reversal of provision upon sale		-	-
Closing balance		<u>125,130,353</u>	<u>125,130,353</u>

5.7 Non compliant investments

Name of non compliant investment	Type of investment	Value of Investment before provision	Provision balance as on July 1, 2019	Provision during the year	Provision held, if any	Value of investment after provision	Fair value as a percentage of:	
							net assets	gross assets
----- (Rupees) -----								
Commercial banks	Sukuk certificates and term finance certificates	58,633,033	-	-	-	58,633,033	26.90%	24.04%

6 SECURITY DEPOSITS

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	<u>2,750,000</u>	<u>2,750,000</u>
	<u>2,850,000</u>	<u>2,850,000</u>

7 MARK-UP AND OTHER RECEIVABLES

Mark-up receivable on:			
- Term finance certificates		669,277	1,347,379
- Sukuk certificates		1,584,042	3,706,724
- Bank balances		35,050	1,715,541
- Pakistan Investment Bonds		-	849,951
Advance tax	7.1	150,962	150,962
Security margin with National Clearing Company of Pakistan Limited		<u>2,303,310</u>	<u>2,053,310</u>
		<u>4,742,641</u>	<u>9,823,867</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, as at June 30, 2020, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt amounts to Rs 150,962.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 RECEIVABLE FROM THE MANAGEMENT COMPANY - NET

Reimbursement from the Management Company	-	753,454
Less: management remuneration payable	-	<u>(319,878)</u>
Receivable from the Management Company	<u>-</u>	<u>433,576</u>

	Note	2020	2019
		----- (Rupees) -----	
9 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	9.1	257,700	-
Sindh sales tax payable on management remuneration	9.2	1,706,503	1,616,821
Federal excise duty payable on management remuneration	9.3	11,439,981	11,439,981
Payable against allocated expenses	9.4	593	29,802
Payable against selling and marketing expenses	9.5	554,351	684,845
Sales load payable		1,514,904	1,514,904
		<u>15,474,032</u>	<u>15,286,353</u>

- 9.1** The Management Company has charged remuneration at the rate of 1.25% (2019: 1.25%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 9.2** During the year, an amount of Rs. 0.479 million (2019: Rs. 0.581 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.39 million (2019: Rs. 0.743 million) has been paid to the Management Company which acts as a collecting agent.
- 9.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 11.439 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs 2.8 (2019: Re 1.67) per unit.

- 9.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 9.5** The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the year, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

	Note	2020	2019
		----- (Rupees) -----	
10 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	10.1	15,466	43,504
Sindh sales tax payable on trustee remuneration	10.2	2,002	5,642
		<u>17,468</u>	<u>49,146</u>

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

Net Assets (Rs.)	Existing tariff (for the year ended June 30, 2019)		Revised tariff (for the year ended June 30, 2020)
	Fee		
- Up to Rs. 1 billion	0.17% per annum (p.a.) of net assets		0.075% p.a. of net assets
- Rs 1 billion to Rs. 5 billion	Rs 1.7 million plus 0.085% p.a. of net assets exceeding Rs 1 billion		

- 10.2 During the year, an amount of Rs 0.029 million (2019: Rs. 0.092 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.032 million (2019: Rs. 0.101 million) was paid to the Trustee which acts as a collecting agent.

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

Note
2020
2019
----- (Rupees) -----

Annual fee payable to the SECP	11.1	58,989	313,448
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- 11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to Income Multiplier Fund was 0.075%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current year.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Note
2020
2019
----- (Rupees) -----

Provision for Sindh Workers' Welfare Fund	12.1	5,792,122	4,938,251
Withholding tax payable		2,017,522	652,425
Annual rating fee payable		802	-
Auditors' remuneration payable		136,539	197,323
Settlement charges payable		69,520	92,162
Printing charges payable		2,031	64,508
Brokerage payable		23,548	2,728
NCCPL Payable		289,428	-
Sales load payable		2,040,607	2,468,039
		<u>10,372,119</u>	<u>8,415,436</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of the Fund as at June 30, 2020 would have been higher by Re 1.42 (2019: Re 0.72) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

14 PROFIT / MARK-UP INCOME

2020
2019
----- (Rupees) -----

Profit / mark-up income on:			
- Sukuk certificates and term finance certificates		19,210,770	23,711,789
- Market Treasury Bills		12,020,356	1,563,475
- Pakistan Investment Bonds		2,311,501	400,903
- Bank balances		7,401,810	13,916,259
- Margin trading system		23,575	2,231,257
		<u>40,968,012</u>	<u>41,823,683</u>

15 AUDITORS' REMUNERATION

	2020	2019
	----- (Rupees) -----	
Audit fee	122,886	135,000
Review and other certifications	104,681	115,000
Out of pocket expenses	30,666	33,689
Sindh sales tax	20,659	22,695
	<u>278,892</u>	<u>306,384</u>

16 CASH AND CASH EQUIVALENTS

Bank Balances	29,552,283	190,299,044
Market Treasury Bills maturing within 3 months	52,302,699	-
	<u>81,854,982</u>	<u>190,299,044</u>

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. During the year, the Management Company has distributed the income earned by the Fund for the year to the unit holders in the manner as explained above. Accordingly, no provision for taxation has been made in these financial statements.

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

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 2.29% (June 30, 2019: 2.36%) which includes 0.48% (June 30, 2019: 0.35%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, Sales Taxes, Federal excise Duties, Annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

19.1 Unit Holder's Fund

Note	2020									
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020

Units					(Rupees)						
Associated Companies / Undertakings											
Alfalah GHP Investment Management Limited	19.1.1	128	-	17	-	145	6,838	-	892	-	7,727
Alfalah GHP Prosperity Planning Fund *	19.1.1	4,740,739	530,198	-	2,532,749	2,738,189	252,523,379	29,441,491	-	138,300,000	145,800,075
Key management personnel (Employees)											
Chief Financial Officer	19.1.1	11	-	1	-	12	586	-	78	-	639
Marketing Head	19.1.1	9	-	-	9	-	461	-	-	425	-

Note	2019									
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019

Units					(Rupees)						
Associated companies / undertakings											
Alfalah GHP Investment Management Limited		117	-	11	-	128	6,536	-	606	-	6,838
Alfalah GHP Prosperity Planning Fund		5,387,544	17,216,077	542,341	18,405,223	4,740,739	300,961,721	923,087,907	28,884,352	984,629,655	252,523,379
Key management personnel (Employees)											
Chief Financial Officer		10	-	1	-	11	559	-	55	-	586
Marketing Head		8	-	1	-	9	425	-	40	-	461

* This unit holder also holds more than 10% of the units in the Fund as at June 30, 2020.

19.1.1 This reflects the position of related party / conneced person status as at June 30, 2020.

19.2 Other transactions

2020 **2019**
----- (Rupees) -----

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Remuneration of the Management Company	3,687,617	4,472,199
Sindh sales tax on remuneration of the Management Company	479,390	581,387
Allocated expenses	294,934	417,920
Selling and marketing expenses	1,179,733	1,111,682
Sales load	1,759,174	1,759,174

Bank Alfalah Limited

Mark-up on bank balances	9,648,301	3,040,609
Bank charges	11,897	33,842

Alfalah GHP Value Fund

Sukuk certificates - sold	10,061,969	20,733,300
Term finance certificates - sold	-	14,796,117
Market Treasury Bills - sold	43,865,856	-

Alfalah GHP Money Market Fund

Market Treasury Bills - purchased	99,425,490	19,588,640
Market Treasury Bills - sold	404,937,945	19,383,540
Term finance certificates - sold	-	5,000,000

Alfalah GHP Sovereign Fund

Market Treasury Bills - purchased	135,013,850	20,700,372
Market Treasury Bills - sold	187,772,925	-

	2020	2019
	----- (Rupees) -----	
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	87,761,520	-
Market Treasury Bills - sold	37,893,240	-
Alfalah GHP Income Fund		
Market Treasury Bills - purchased	13,403,970	-
Alfalah GHP Stock Fund		
Market Treasury Bills - purchased	22,974,976	-
Alfalah GHP Islamic Income Fund		
Sukuk certificates - purchased	19,355,300	-
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	221,260	710,122
Sindh sales tax on remuneration of the Trustee	28,764	92,316
CDS charges	62,431	22,645
19.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	257,700	-
Sindh sales tax payable on management remuneration	1,706,503	1,616,821
Federal excise duty payable on management remuneration	11,439,981	11,439,981
Payable against allocated expenses	593	29,802
Payable against selling and marketing expenses	554,351	684,845
Sales load payable	1,514,904	1,514,904
Receivable against management remuneration	-	433,576
	2020	2019
	----- (Rupees) -----	
Bank Alfalah Limited		
Bank balance	8,370,577	188,040,438
Mark-up receivable on bank balance	7,046	1,387,517
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	15,466	43,504
Sindh sales tax payable on trustee remuneration	2,002	5,642
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	29,552,283	-	29,552,283
Investments	-	206,715,838	206,715,838
Security deposits	2,850,000	-	2,850,000
Mark-up and other receivables	4,591,679	-	4,591,679
	<u>36,993,962</u>	<u>206,715,838</u>	<u>243,709,800</u>

Particulars	2020		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	15,474,032	15,474,032
Payable to the Trustee	-	17,468	17,468
Accrued expenses and other liabilities	-	2,562,475	2,562,475
	<u>-</u>	<u>18,053,975</u>	<u>18,053,975</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	190,299,044	-	190,299,044
Investments	-	185,651,763	185,651,763
Security deposits	2,850,000	-	2,850,000
Mark-up and other receivables	9,672,905	-	9,672,905
Receivable from the Management Company - net	433,576	-	433,576
	<u>203,255,525</u>	<u>185,651,763</u>	<u>388,907,288</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	15,286,353	15,286,353
Payable to the Trustee	-	49,146	49,146
Accrued expenses and other liabilities	-	2,824,760	2,824,760
	<u>-</u>	<u>18,160,259</u>	<u>18,160,259</u>

21 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 Interest rate risk

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

	2020	2019
	----- (Rupees) -----	
Variable rate instruments (financial assets)		
Bank balances	29,552,283	190,299,044
Term finance certificates	53,508,033	74,012,244
Sukuk certificates	71,546,806	89,430,895
	<u>154,607,122</u>	<u>353,742,183</u>
Fixed rate instrument		
Market Treasury Bills	81,660,999	-
Pakistan Investment Bond	-	22,208,624
	<u>81,660,999</u>	<u>22,208,624</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.32 million (2019: Rs 0.07 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs Nil (2019: Rs 0.12 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

Particulars	As at June 30, 2020					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5% - 8%	29,552,283	-	-	-	29,552,283
Investments	7.05% - 13.99%	-	81,660,999	125,054,839	-	206,715,838
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	4,591,679	4,591,679
Sub total		<u>29,552,283</u>	<u>81,660,999</u>	<u>125,054,839</u>	<u>7,441,679</u>	<u>243,709,800</u>
Financial liabilities						
Payable to the Management Company		-	-	-	15,474,032	15,474,032
Payable to the Trustee		-	-	-	17,468	17,468
Accrued expenses and other liabilities		-	-	-	2,562,475	2,562,475
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>18,053,975</u>	<u>18,053,975</u>
On-balance sheet gap		<u>29,552,283</u>	<u>81,660,999</u>	<u>125,054,839</u>	<u>(10,612,296)</u>	<u>225,655,825</u>
Total interest rate sensitivity gap		<u>29,552,283</u>	<u>81,660,999</u>	<u>125,054,839</u>	<u>(10,612,296)</u>	<u>225,655,825</u>
Cumulative interest rate sensitivity gap		<u>29,552,283</u>	<u>111,213,282</u>	<u>236,268,121</u>		

Particulars	As at June 30, 2019					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.8%-13.6%	190,299,044	-	-	-	190,299,044
Investments	6.7%-14.45%	86,789,001	98,862,762	-	-	185,651,763
Security deposits		-	-	-	2,850,000	2,850,000
Mark-up and other receivables		-	-	-	9,672,905	9,672,905
Receivable from the Management Company - net		-	-	-	433,576	433,576
Sub total		277,088,045	98,862,762	-	12,956,481	388,907,288
Financial liabilities						
Payable to the Management Company		-	-	-	15,286,353	15,286,353
Payable to the Trustee		-	-	-	49,146	49,146
Accrued expenses and other liabilities		-	-	-	2,824,760	2,824,760
Sub Total		-	-	-	18,160,259	18,160,259
On-balance sheet gap		277,088,045	98,862,762	-	(5,203,778)	370,747,029
Total interest rate sensitivity gap		277,088,045	98,862,762	-	(5,203,778)	370,747,029
Cumulative interest rate sensitivity gap		277,088,045	375,950,807	375,950,807		

21.1.3 Price risk

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

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

21.2 Credit risk

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

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

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	(Rupees)			
Bank balances	29,552,283	29,552,283	190,299,044	190,299,044
Investments	206,715,838	100,054,839	185,651,763	163,443,139
Security deposits	2,850,000	2,850,000	2,850,000	2,850,000
Mark-up and other receivables	4,591,679	4,591,679	9,672,905	9,672,905
Receivable from the Management Company - net	-	-	433,576	433,576
	243,709,800	137,048,801	388,907,288	366,698,664

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in government securities of Rs 106.66 million (2019: Rs 22.2 million) is not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2020 and June 30, 2019, except as specified in note 5.5 to these financial statements.

21.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating agency	Rating	2020	2019
			Percentage of total bank balances	
BankIslami Pakistan Limited	PACRA	A1	4.29%	0.02%
Habib Bank Limited	VIS	A-1+	0.05%	0.07%
National Bank of Pakistan	PACRA	A1+	0.79%	0.18%
Bank Alfalah Limited	PACRA	A1+	28.32%	98.81%
Faysal Bank Limited	PACRA	A1+	-	-
Allied Bank Limited	PACRA	A1+	62.78%	0.02%
Bank AL Habib Limited	PACRA	A1+	0.16%	0.18%
JS Bank Limited	PACRA	A1+	0.17%	0.18%
NRSP Microfinance Bank Limited	PACRA	A1	0.07%	0.17%
Telenor Microfinance Bank Limited	PACRA	A1	0.03%	0.01%
Zarai Taraqiati Bank Limited	VIS	A-1+	0.84%	0.04%
Samba Bank Limited	VIS	A-1	0.19%	0.03%
Central Depository Company	N/A	N/A	0.00%	-
Soneri Bank	PACRA	A1+	0.30%	0.09%
Silk Bank	VIS	A-2	2.01%	0.20%
			100.00%	100.00%

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

21.2.3 Investments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2020 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2020	2019
			----- (%) -----	
Term finance certificates (TFCs)				
Askari Bank Limited	VIS	AA-	13	9
Habib Bank Limited	VIS	AA+	17	17
JS Bank Limited	PACRA	A+	35	35
The Bank of Punjab	PACRA	AA-	35	32
TPL Corporation Limited	PACRA	A	-	7
Trust Investment Bank Limited	Non Performing		-	-
Security Leasing Corporation Limited	Non Performing		-	-
Agritech Limited	Non Performing		-	-
			100	100
Sukuk certificates				
Dubai Islamic Bank Pakistan Limited	VIS	AA	-	21
Dawood Hercules Corporation Limited	PACRA	AA	20	13
Dawood Hercules Corporation Limited	PACRA	AA	11	7
International Brands Limited	VIS	AA	43	31
Hub Power Company Limited	PACRA	AA+	15	28
Meezan Bank Limited	VIS	AA-	11	-
			100	100

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

21.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

21.3 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

2

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	29,552,283	-	-	-	29,552,283
Investments	-	-	81,660,999	125,054,839	206,715,838
Security deposits	2,850,000	-	-	-	2,850,000
Mark-up and other receivables	4,591,679	-	-	-	4,591,679
	36,993,962	-	81,660,999	125,054,839	243,709,800
Financial liabilities					
Payable to the Management Company	15,474,032	-	-	-	15,474,032
Payable to the Trustee	17,468	-	-	-	17,468
Accrued expenses and other liabilities	93,068	2,469,407	-	-	2,562,475
	15,584,568	2,469,407	-	-	18,053,975
Net assets	21,409,394	(2,469,407)	81,660,999	125,054,839	225,655,825
----- Rupees -----					
2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	190,299,044	-	-	-	190,299,044
Investments	-	-	29,989,960	155,661,803	185,651,763
Security deposits	2,850,000	-	-	-	2,850,000
Mark-up and other receivables	9,672,905	-	-	-	9,672,905
Receivable from the Management Company - net	433,576	-	-	-	433,576
	203,255,525	-	29,989,960	155,661,803	388,907,288
Financial liabilities					
Payable to the Management Company	15,286,353	-	-	-	15,286,353
Payable to the Trustee	49,146	-	-	-	49,146
Accrued expenses and other liabilities	94,890	2,729,870	-	-	2,824,760
	15,430,389	2,729,870	-	-	18,160,259
Net assets	187,825,136	(2,729,870)	29,989,960	155,661,803	370,747,029

21.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2020 and June 30, 2019, the Fund held the following financial instruments measured at fair values:

----- As at June 30, 2020 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets at 'fair value through profit or loss'				
Term finance certificates	-	53,508,033	-	53,508,033
Sukuk certificates	-	71,546,806	-	71,546,806
Market treasury bills	-	81,660,999	-	81,660,999

----- As at June 30, 2019 -----				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets at 'fair value through profit or loss'				
Term finance certificates	-	74,012,244	-	74,012,244
Sukuk certificates	-	89,430,895	-	89,430,895
Pakistan investment bonds	-	22,208,624	-	22,208,624

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21.5 Unit Holders' Fund risk management

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

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

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

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

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

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

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23 CORRESPONDING FIGURES

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

24 GENERAL

24.1 Regulatory reliefs due to COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

24.2 Operational Risk Management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

24.3 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	258	752,244	40,060,000	18%
Associated Co./ Directors	1	146	7,607	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	13	505,407	26,910,000	12%
Others	25	2,835,239	150,960,548	69%
	297	4,093,035	217,938,154	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	189	961,903	51,237,381	14%
Associated Co./ Directors	1	129	6,859	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	8	679,430	36,190,975	10%
Others	15	5,210,738	277,558,809	76%
	213	6,852,199	364,994,024	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Arif Habib Limited	7%
BIPL Securities	1%
Bright Capital Private Limited	5%
C & M Management (Pvt.) Ltd.	6%
Continental Exchange (Pvt.) Limited	55%
Direct Deal / No Broker	0%
Invest One Markets Limited	7%
JS Global Capital Limited	4%
Paramount Capital (Pvt.) Limited	5%
Summit Capital (Private) Limited	6%
	30 June 2019
	%
BIPL Securities Limited	53%
JS Global Capital Limited	8%
Next Capital Limited	29%
BMA Capital Management Limited	3%
Bright Capital Limited	2%
Invest One Markets Limited	2%
Continental Exchange Pvt Limited	3%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Sana Abdullah

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

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

Wahaj Ahmed

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

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

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**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
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PERFORMANCE TABLE - AGIMF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Net Assets (Rupees in '000)	217,938	364,994	655,599	1,739,721	1,504,660
NAV per unit	53.2461	53.2667	55.8625	53.2500	53.0087
Selling price per unit	55.0511	55.0724	57.7562	55.0552	55.1117
Redemption price per unit	53.2461	53.2667	55.8625	53.2500	53.0087
Highest selling price per unit	63.5022	58.3182	57.8210	57.9532	57.0332
Highest redemption price per unit	61.4201	56.4060	55.9251	56.0530	54.8569
Lowest selling price per unit	55.0424	54.8429	55.0669	54.8341	52.6565
Lowest redemption price per unit	53.2376	53.0447	53.2613	53.0362	50.6472
Total interim distribution per unit	N/A	3.3186	N/A	2.8811	1.8737
Interim distribution date	N/A	30-Jun-19	N/A	22-Jun-17	29-Jun-16
Final distribution per unit	8.1534	N/A	2.6124	N/A	N/A
Final distribution date	27-Jun-20	N/A	2-Jul-18	N/A	N/A
Annualized returns	15.26%	6.26%	4.90%	5.90%	8.38%
Income distribution	6.23%	6.23%	4.91%	5.44%	3.70%
Weighted avg. portfolio duration	1.99 Yrs	2.755 Yrs	4.08 Yrs	2.65 Yrs	3.99 Yrs

Return since inception is 10.72%

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



**Alfalah GHP
Islamic Income Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Shariah Advisor:	BankIslami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	A+(f) by PACRA

Alfalah GHP Islamic Income Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah Compliant (Islamic) Income Scheme

Investment Objective

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

Accomplishment of Objective

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

Money Market Review

Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

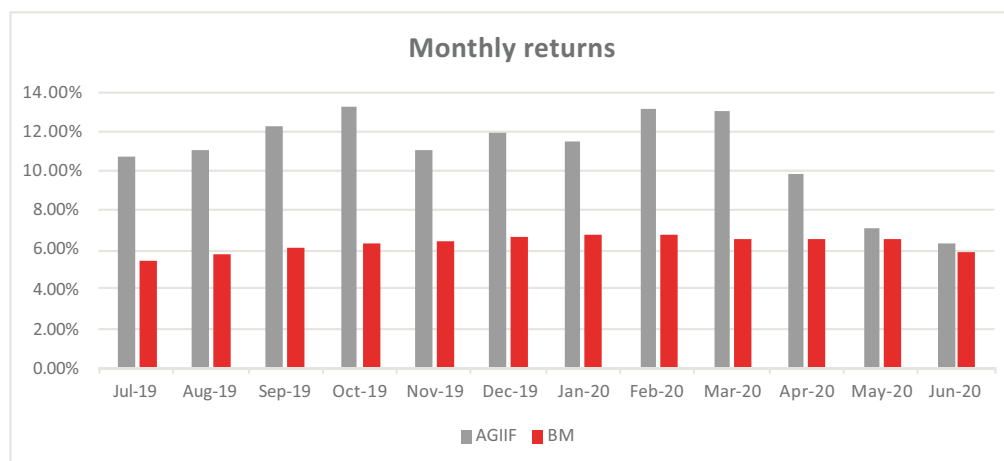
The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

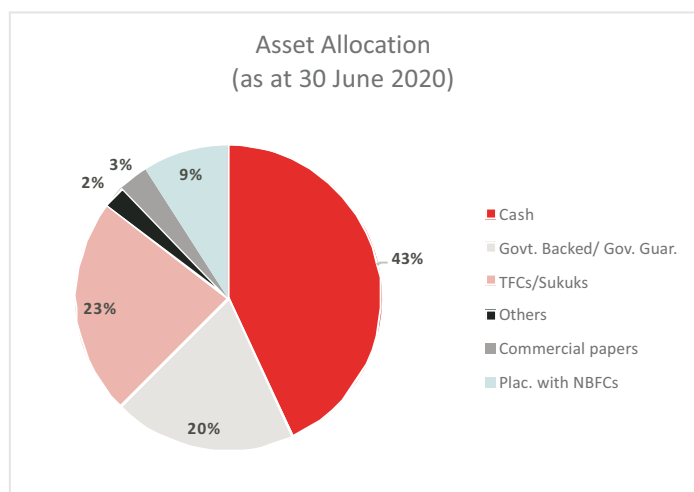
Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

Fund Performance

For the year ended June 30 2020, the fund posted a return of 11.56% against the benchmark of 6.33%. During the period fund operated with the strategy of providing consistent and stable returns. In line with the strategy, the fund maintained a balanced exposure in bank deposits and higher credit quality corporate Sukuks in order to achieve competitive returns.

Performance comparison with Benchmark





Credit Quality (as % of Total Assets)			
Govt. Guar.	19.46%	A	0.49%
AAA	10.17%	A-	0.04%
AA+	16.61%	BBB+	0.00%
AA	33.89%	BBB	0.00%
AA-	10.89%	Below IG	0.37%
A+	5.72%	NR/UR	2.36%

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

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

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

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

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

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

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC INCOME FUND

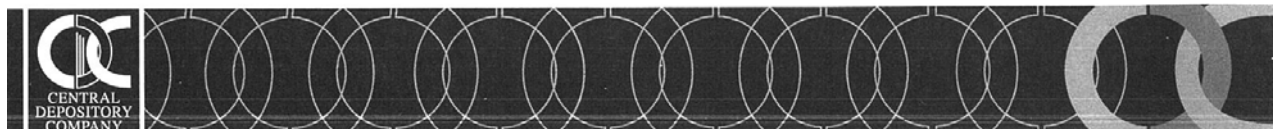
Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

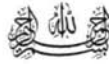
We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Income Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2020





**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC INCOME FUND**

We, the Shariah Advisory Board of the Alfalah GHP Islamic Income Fund ('AGIIF') (formerly IGI Islamic Income Fund) managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplemental Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisory Board, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisory Board of the Fund, we have checked following avenues presented to us by the Management in which AGIIF made Investment during the period from July 1, 2019 to June 30, 2020.

Investment Avenue
<p><i>GoP (Government of Pakistan) Ijarah Sukuks</i> <i>Approved Shariah Compliant Sukuk</i> <i>Approved Islamic Commercial papers</i> <i>Approved Bai Muajjal Transactions</i></p>

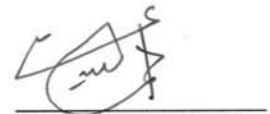
We hereby certify that all the above mentioned investments and all the provisions of the scheme made by the Fund are in compliance with the Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2020, no such income is earned.

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

For and on behalf of Shariah Advisory Board


Mufti Shaikh Noman
Shariah Advisor


Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Income Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2020. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 29, 2020

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Income Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 5,376.66 million and bank balances aggregated to Rs 4,251.20 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and▪ Obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Assets			
Bank balances	4	4,251,196,475	2,220,409,931
Investments	5	5,376,661,819	2,326,888,447
Profit receivable	6	189,012,174	91,320,067
Advance tax, deposit and prepayment	7	1,715,583	1,746,469
Total assets		<u>9,818,586,051</u>	<u>4,640,364,914</u>
Liabilities			
Payable to the Management Company	8	24,966,327	13,729,696
Payable to the Trustee	9	1,307,370	501,877
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	1,146,735	3,356,221
Accrued and other liabilities	11	66,536,083	18,450,225
Total liabilities		<u>93,956,515</u>	<u>36,038,019</u>
Net assets attributable to the unit holders		<u>9,724,629,536</u>	<u>4,604,326,895</u>
Unit holders' fund (as per the statement attached)		<u>9,724,629,536</u>	<u>4,604,326,895</u>
Contingencies and commitments			
	12	----- (Number of units) -----	
Number of units in issue		<u>95,311,687</u>	<u>45,184,008</u>
		----- (Rupees) -----	
Net asset value per unit		<u>102.0298</u>	<u>101.9017</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Income			
Profit / mark up income	13	691,565,872	428,553,332
Loss on sale of investments - net		(13,089,309)	(3,363,594)
Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	<u>25,393,034</u>	<u>(12,962,917)</u>
Total income		<u>703,869,597</u>	<u>412,226,821</u>
Expenses			
Remuneration of the Management Company	8.1	67,947,595	45,586,647
Sindh sales tax on remuneration of the Management Company	8.2	8,833,492	5,926,269
Allocated expenses	8.4	5,715,228	4,474,856
Selling and marketing expenses	8.5	5,464,163	11,218,283
Remuneration of the Trustee	9.1	4,286,589	4,653,189
Sindh sales tax on remuneration of the Trustee	9.2	557,254	604,909
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	1,146,735	3,356,221
Brokerage expense		472,524	99,078
Settlement and bank charges		205,926	225,177
Auditors' remuneration	14	298,231	298,784
Annual listing fee		26,612	27,440
Annual rating fee		165,075	17,054
Printing charges		30,012	79,987
Shariah advisory fee		133,953	420,050
Provision against Sindh Workers' Welfare Fund	11.1	12,099,591	6,704,779
Total expenses		<u>107,382,980</u>	<u>83,692,723</u>
Net income for the year before taxation		<u>596,486,617</u>	<u>328,534,098</u>
Taxation	16	-	-
Net income for the year after taxation		<u>596,486,617</u>	<u>328,534,098</u>
Allocation of net income for the year			
Net income for the year after taxation		596,486,617	328,534,098
Income already paid on units redeemed		<u>(236,944,575)</u>	<u>(116,395,619)</u>
		<u>359,542,042</u>	<u>212,138,479</u>
Accounting income available for distribution			
- Relating to capital gain		6,711,550	-
- Excluding capital gain		352,830,492	212,138,479
		<u>359,542,042</u>	<u>212,138,479</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income for the year after taxation	596,486,617	328,534,098
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>596,486,617</u>	<u>328,534,098</u>

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



For Alfalah GHP Investment Management Limited
 (Management Company)

 Chief Executive Officer

 Chief Financial Officer

 Director

ALFALAH GHP ISLAMIC INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- Rupees -----			----- Rupees -----		
Net assets at the beginning of the year	4,559,919,547	44,407,348	4,604,326,895	4,281,606,495	154,358,080	4,435,964,575
Issuance of 255,716,027 units (2019: 76,049,243 units)						
- Capital value (at net asset value per unit at the beginning of the year)	26,057,895,996	-	26,057,895,996	7,698,867,930	-	7,698,867,930
- Element of income	553,993,853	-	553,993,853	141,333,813	-	141,333,813
Total proceeds on issuance of units	26,611,889,849	-	26,611,889,849	7,840,201,743	-	7,840,201,743
Redemption of 205,588,348 units (2019: 72,909,673 units)						
- Capital value (at net asset value per unit at the beginning of the year)	20,949,800,646	-	20,949,800,646	7,381,032,619	-	7,381,032,619
- Element of loss	278,092,457	236,944,575	515,037,032	34,921,174	116,395,619	151,316,793
Total payments on redemption of units	21,227,893,103	236,944,575	21,464,837,678	7,415,953,793	116,395,619	7,532,349,412
Total comprehensive income for the year	-	596,486,617	596,486,617	-	328,534,098	328,534,098
Distributions made (refer note 25)	(281,008,876)	(342,227,271)	(623,236,147)	(145,934,898)	(322,089,211)	(468,024,109)
Net assets at the end of the year	9,662,907,417	61,722,119	9,724,629,536	4,559,919,547	44,407,348	4,604,326,895
		(Rupees)			(Rupees)	
Undistributed income brought forward						
- Realised income		57,370,265			162,054,806	
- Unrealised (loss) / income		(12,962,917)			(7,696,726)	
		44,407,348			154,358,080	
Accounting income available for distribution						
- Relating to capital gains		6,711,550			-	
- Excluding capital gains		352,830,492			212,138,479	
		359,542,042			212,138,479	
Distributions made		(342,227,271)			(322,089,211)	
Undistributed income carried forward		61,722,119			44,407,348	
Undistributed income carried forward						
- Realised income		36,329,085			57,370,265	
- Unrealised loss		25,393,034			(12,962,917)	
		61,722,119			44,407,348	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		101.9017			105.5066	
Net asset value per unit at the end of the year		102.0298			101.9017	

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		596,486,617	328,534,098
Adjustments for:			
Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		(25,393,034)	12,962,917
Provision against Sindh Workers' Welfare Fund		12,099,591	6,704,779
		<u>583,193,174</u>	<u>348,201,794</u>
(Increase) / decrease in assets			
Investments - net		(3,384,380,338)	(458,945,204)
Advance tax, deposit and prepayment		30,886	(4,632)
Profit receivable		(97,692,107)	(32,534,849)
		<u>(3,482,041,559)</u>	<u>(491,484,685)</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		11,236,631	3,907,628
Payable to the Trustee		805,493	(27,681)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(2,209,486)	(1,160,820)
Payable against redemption of units		-	(3,913,726)
Accrued and other liabilities		35,986,267	3,067,452
		<u>45,818,905</u>	<u>1,872,853</u>
Net cash flows (used in) / generated from operating activities		<u>(2,853,029,480)</u>	<u>(141,410,038)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(342,227,271)	(322,089,211)
Amounts received against issuance of units		26,330,880,973	7,694,266,845
Payments made against redemption of units		(21,464,837,678)	(7,532,349,412)
Net cash flows generated from / (used in) financing activities		<u>4,523,816,024</u>	<u>(160,171,778)</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>1,670,786,544</u>	<u>(301,581,816)</u>
Cash and cash equivalents at beginning of the year		2,580,409,931	2,881,991,747
Cash and cash equivalents at end of the year	17	<u><u>4,251,196,475</u></u>	<u><u>2,580,409,931</u></u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Income Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 3, 2008 between IGI Funds Limited (Former Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved third Supplemental Trust Deed, under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), vide its letter No. SCD/AMCW/AGIIF/240/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Income Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

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

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificates of investment, Musharika and Morabaha arrangements and debt securities. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019, and stability rating of AA-(f) to the Fund in its credit rating report dated April 17, 2020.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

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

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

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

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant impact on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

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

- i. Classification and valuation of financial assets (notes 3.3.1 and 5)
- ii. Impairment of financial assets (note 3.3.2)
- iii. Taxation (notes 3.7 and 16)

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

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

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

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

3.3.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.2.1 Impairment loss on debt securities

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

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

3.3.3 Regular way contracts

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

3.3.4 Initial recognition and measurement

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

3.3.5 Derecognition

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

3.4 Financial liabilities

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

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Taxation

Current

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

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

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

Deferred

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

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

3.8 Distributions to unit holders

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

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

3.9 Issue and redemption of units

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

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

3.13 Expenses

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

3.14 Earnings / loss per unit

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

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

3.15 Foreign currency translation

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

	Note	2020	2019
		----- (Rupees) -----	
4 BANK BALANCES			
Saving accounts	4.1	<u>4,251,196,475</u>	<u>2,220,409,931</u>
4.1	These accounts carry profit rates ranging between 7.35% to 10.25% (2019: 4.75% to 13.60%) per annum. These include bank balance of Rs. 34.326 million (2019: Rs 14.781 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 6.5% (2019: 10.25%) per annum.		

5 INVESTMENTS

Note	2020	2019
	----- (Rupees) -----	
At fair value through profit or loss		
Sukuk certificates	2,953,911,416	1,768,754,931
Term deposit receipts	-	360,000,000
Commercial papers	316,430,849	198,133,516
GoP (Government of Pakistan) Ijara Sukuks	1,200,733,250	-
Bai Muajjal receivable	905,586,304	-
	<u>5,376,661,819</u>	<u>2,326,888,447</u>

5.1 Sukuk certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 1, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying value	Market value	Unrealised gain / (loss)	Market value as a percentage of	
											Net Assets	Total Investments
				----- (Number of certificates) -----			----- (Rupees) -----			----- (%) -----		
Hascol Petroleum Limited	3 Month Kibor + 1.50%	Secured	January 6, 2022	21,114	-	-	21,114	37,250,424	36,492,915	(757,509)	0.38%	0.68%
Pakistan Energy Sukuk II *	6 Month Kibor + 1.00%	Secured	June 17, 2022	-	-	-	-	710,000,000	710,000,000	-	7.30%	13.21%
Meezan Bank Limited	6 Month Kibor + 0.50%	Secured	September 22, 2026	281	65	115	231	231,372,124	236,775,000	5,402,876	2.43%	4.40%
Meezan Bank Limited	6 Month Kibor + 0.90%	Secured	January 09, 2030	-	200	-	200	204,150,000	202,871,200	(1,278,800)	2.09%	3.77%
Engro Powergen Thar (Private) Limited	3 Month Kibor + 1.10%	Secured	August 02, 2024	-	20,000	10,200	9,800	48,060,000	48,144,000	84,000	0.50%	0.90%
International Brands Limited	12 Months Kibor + 0.50%	Secured	November 15, 2021	3,200	1,990	260	4,930	344,102,501	348,863,313	4,760,812	3.59%	6.49%
Dawood Hercules Corporation Limited	3 Month Kibor + 1.00%	Secured	November 16, 2022	2,620	2,493	40	5,073	355,430,899	358,636,597	3,205,698	3.69%	6.67%
Dubai Islamic Bank Pakistan Limited	6 Month Kibor + 0.50%	Unsecured	July 14, 2027	310	39	38	311	316,329,860	319,158,774	2,828,914	3.28%	5.94%
Hub Power Company Limited	3 Month Kibor + 1.00%	Unsecured	November 26, 2019	83,000	-	83,000	-	-	-	-	0.00%	0.00%
Hub Power Company Limited	3 Month Kibor + 1.00%	Unsecured	August 22, 2023	-	4,670	255	4,415	443,055,824	450,969,617	7,913,793	4.64%	8.39%
Hub Power Company Limited	3 Month Kibor + 1.00%	Unsecured	October 2, 2019	30,000	-	30,000	-	-	-	-	0.00%	0.00%
Hub Power Company Limited *	3 Month Kibor + 1.00%	Unsecured	May 28, 2020	-	3,600	-	3,600	242,000,000	242,000,000	-	2.49%	4.50%
Total as at June 30, 2020								<u>2,931,751,632</u>	<u>2,953,911,416</u>	<u>22,159,784</u>	<u>30.39%</u>	<u>54.95%</u>
Total as at June 30, 2019								<u>1,781,717,848</u>	<u>1,768,754,931</u>	<u>(12,962,917)</u>	<u>38.41%</u>	<u>76.01%</u>

* These investments have been carried at cost as they were not valued by MUFAP as at June 30, 2020.

5.2 Term deposit receipts

Name of the Bank	Maturity date	Rate of return per annum	Face value				Market value as a percentage of		
			As at July 1, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Net Assets	Total Investments	
						(Rupees)		(%)	
BankIslami Pakistan Limited	November 20, 2019	13.35%	-	450,000,000	450,000,000	-	-	-	-
BankIslami Pakistan Limited	December 20, 2019	12.90%	-	450,000,000	450,000,000	-	-	-	-
Dubai Islamic Bank Pakistan Limited	July 25, 2019	13.00%	360,000,000	-	360,000,000	-	-	-	-
Total as at June 30, 2020			360,000,000	900,000,000	1,260,000,000	-	-	-	-
Total as at June 30, 2019			395,000,000	3,280,000,000	3,315,000,000	360,000,000	3.70%	6.72%	

5.3 Commercial papers

(face value of Rs 1,000,000/- each).

Name of the investee company	Rate of return per annum	As at July 1, 2019	Purchased during the year	Matured during the year	As at June 30, 2020	Balance as at June 30, 2020		Market value as a percentage of	
						Carrying Value	Market Value	Net Assets	Total Investments
						Rupees		(%)	
K-Electric Limited VII	6 month Kibor+0.90%	202	150	202	150	146,283,483	146,283,483	1.50%	2.72%
K-Electric Limited V	6 month Kibor+0.90%	-	173	-	173	170,147,366	170,147,366	1.75%	3.16%
Total as at June 30, 2020						316,430,849	316,430,849	3.25%	5.88%
Total as at June 30, 2019						198,133,516	198,133,516	4.30%	8.51%

5.4 GoP Ijara Sukuks

(face value of Rs 100,000/- each).

Name of the investee company	Yield per annum	Issue date	Maturity date	As at July 01, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss)	Market value as a percentage of	
											Net Assets	Total Investments
						(Number of certificates)		(Rupees)		(%)		
GOP Ijara Sukuk (03 years)		30-Jun-17	30-Jun-20	-	120	120	-	-	-	-	0.00%	0.00%
GOP Ijara Sukuk (05 years)		30-Apr-20	30-Apr-25	-	32,905	20,930	11,975	1,197,500,000	1,200,733,250	3,233,250	12.35%	22.33%
Total as at June 30, 2020								1,197,500,000	1,200,733,250	3,233,250	12.35%	22.33%
Total as at June 30, 2019								-	-	-	-	-

5.5 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total Transaction Price	Deferred Income	Accrued Profit	Carrying value	Market value as a percentage of	
							Net Assets	Total Investments
		%	(Rupees)				(%)	
Pak Oman Investment Company Limited (AA+, VIS)	September 24, 2020	7.65%	921,231,534	17,130,850	1,485,620	905,586,304	9.30%	16.84%
Total as at June 30, 2020			<u>921,231,534</u>	<u>17,130,850</u>	<u>1,485,620</u>	<u>905,586,304</u>	<u>9.30%</u>	<u>16.84%</u>
Total as at June 30, 2019			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.5.1 This Bai Muajjal transaction is carried out against GoP Ijara Sukuk which was issued on May 29, 2020.

5.6 Unrealised gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss' - net

	2020	2019
	(Rupees)	
Market value of investments	5,376,661,819	2,326,888,447
Less: Carrying value of investments	<u>(5,351,268,785)</u>	<u>(2,339,851,364)</u>
	<u>25,393,034</u>	<u>(12,962,917)</u>

5.7 Non compliant investments

Name of non compliant investment	Type of investment	Value of Investment before provision	Provision balance as on July 1, 2019	Provision during the year	Provision held, if any	Value of investment after provision	Fair value as a percentage of:	
							Net assets	Gross assets
							(Rupees)	
							(%)	
Hascol Petroleum Limited	Sukuk certificates	36,492,915	-	-	-	36,492,915	0.38%	0.37%

6 PROFIT RECEIVABLE

	2020	2019
	(Rupees)	
Profit receivable on:		
- Bank balances	37,669,503	29,488,832
- Sukuk certificates	132,923,305	60,164,378
- GoP Ijara Sukuks	18,419,366	-
- Term deposit receipts	-	1,666,857
	<u>189,012,174</u>	<u>91,320,067</u>

7 ADVANCE TAX, DEPOSIT AND PREPAYMENT

	2020	2019
Advance tax	1,615,075	1,637,226
Security deposit with the Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
Prepaid listing fee	<u>508</u>	<u>9,243</u>
	<u>1,715,583</u>	<u>1,746,469</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2020, withholding tax on profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on debt instruments has been shown as other receivables as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO THE MANAGEMENT COMPANY	Note	2020	2019
		----- (Rupees) -----	
Management remuneration payable	8.1	13,824,674	4,515,863
Sindh sales tax payable on management remuneration	8.2	1,913,973	703,522
Federal excise duty on management remuneration	8.3	779,745	779,745
Payable against allocated expenses	8.4	3,479,773	2,149,097
Selling and marketing expenses	8.5	4,939,638	5,574,826
Sales load payable to management company		28,524	6,643
		<u>24,966,327</u>	<u>13,729,696</u>

8.1 During the year, the Management Company has charged remuneration at the rate of 10% (2019: 10%) of the gross earnings of the Fund calculated on a daily basis not exceeding the maximum rate of remuneration permitted under the offering document, provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the Fund. Remuneration was charged on similar basis during the year ended June 30, 2019.

8.2 During the year, an amount of Rs. 8.833 million (2019: Rs. 5.926 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 7.623 million (2019: Rs. 5.873 million) has been paid to the Management Company which acts as a collecting agent.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.780 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.01 (2019: Re 0.02) per unit.

8.4 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

8.5 The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9	PAYABLE TO THE TRUSTEE	Note	2020	2019
			-----	-----
			(Rupees)	
	Trustee remuneration payable	9.1	1,158,713	445,886
	Sindh sales tax payable on trustee remuneration	9.2	148,657	55,991
			<u>1,307,370</u>	<u>501,877</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the Trustee has charged remuneration at the rate 0.075% per annum of net assets of the Fund. During 2019, the Trustee had charged remuneration as follows:

Average net assets	Tariff per annum
Up to Rs. 1 billion	0.17% per annum (p.a.) of net assets.
Rs. 1 billion to Rs. 5 billion	Rs. 1.7 million plus 0.085% p.a. of net assets exceeding Rs. 1 billion.
Over Rs. 5 billion	Rs. 5.1 million plus 0.07% p.a. of net assets exceeding Rs. 5 billion.

9.2 During the year, an amount of Rs. 0.557 million (2019: Rs. 0.605 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.465 million (2019: Rs. 0.608 million) was paid to the Trustee which acts as a collecting agent.

10	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2020	2019
			-----	-----
			(Rupees)	
	Annual fee payable to the SECP	10.1	1,146,735	3,356,221

10.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2019: 0.075%) of the average annual net assets of the Fund.

11	ACCRUED AND OTHER LIABILITIES	Note	2020	2019
			-----	-----
			(Rupees)	
	Provision against Sindh Workers Welfare Fund	11.1	25,713,011	13,613,419
	Withholding tax and capital gains tax payable		14,937,357	2,433,339
	Dividend payable		13,114,768	-
	Sales load payable		10,567,059	966,921
	Brokerage charges		793,815	160,081
	Auditors' remuneration		418,317	289,600
	Annual rating fee		347,291	182,216
	Shariah advisory fee		500,110	686,156
	Printing charges		144,355	118,493
			<u>66,536,083</u>	<u>18,450,225</u>

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

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at June 30, 2020 would have been higher by Re. 0.27 (2019: Re 0.30) per unit.

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

13	PROFIT / MARK UP INCOME	2020	2019
		-----	-----
		(Rupees)	
	Profit / mark up income on:		
	- GoP Ijara Sukuks	12,522,906	-
	- Sukuk certificates	301,557,644	147,512,979
	- Commercial Paper	18,725,851	7,487,406
	- Bank balances	342,055,413	245,707,913
	- Term deposit receipts	12,777,756	27,845,034
	- Bai Muajjal receivable	3,926,302	-
		<u>691,565,872</u>	<u>428,553,332</u>

	2020	2019
	----- (Rupees) -----	
14 AUDITORS' REMUNERATION		
Audit fee	161,255	161,255
Review and other certifications	84,658	84,658
Out of pocket expenses	30,186	30,739
Sindh sales tax	22,132	22,132
	<u>298,231</u>	<u>298,784</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 1.88% which includes 0.40% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

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

Since the management company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements.

	Note	2020	2019
		----- (Rupees) -----	
17 CASH AND CASH EQUIVALENTS			
Bank balances	4	4,251,196,475	2,220,409,931
Term deposit receipts	5.2	-	360,000,000
		<u>4,251,196,475</u>	<u>2,580,409,931</u>

18 NON SHARIAH COMPLIANT INCOME

According to the instructions of the Shariah Advisor, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2020, no such income is earned.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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

19.1 Unit Holders' Fund

Note	2020									
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020

(Units)					(Rupees)						
Associated companies / undertakings											
Alfalsh GHP Investment Management Limited	19.1.1	59,193	-	5,714	-	64,907	6,031,867	-	582,302	-	6,622,482
Alfalsh GHP Islamic Prosperity Planning Fund	19.1.1	18,244,652	22,345,489	684,106	36,333,985	4,940,262	1,859,161,055	2,320,456,879	69,711,545	3,766,463,845	504,053,797
Key Management Personnel											
Chief Investment Officer	19.1.1	6,424	-	589	-	7,013	654,617	-	60,022	-	715,535
Fund Manager	19.1.1	-	22,698	570	12,077	11,191	-	2,349,357	58,126	1,252,940	1,141,815
Unit holder holding 10% or more units											
Al Hilal Industries (Private) Limited	19.1.1	5,120,493	-	-	5,120,493	-	521,786,942	-	-	521,786,942	-
Artistic Milliners (Private) Limited	19.1.1	-	40,788,283	395,193	6,836,649	34,346,827	-	4,200,000,000	40,270,790	702,121,403	3,504,398,867

Note	2019									
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019

(Units)					(Rupees)						
Associated companies / undertakings											
Alfalsh GHP Investment Management Limited		53,984	-	5,209	-	59,193	5,695,668	-	529,171	-	6,031,867
Alfalsh GHP Islamic Prosperity Planning Fund		27,453,697	29,756,314	2,693,532	41,658,891	18,244,652	2,896,546,228	3,074,500,000	273,531,963	4,306,100,000	1,859,161,055
Key Management Personnel											
Chief Investment Officer		-	6,374	50	-	6,424	-	650,041	5,146	-	654,617
Unit holder holding 10% or more units											
Al Hilal Industries (Private) Limited		-	7,511,719	126,069	2,517,295	5,120,493	-	774,064,842	12,843,756	259,750,000	521,786,942

19.1.1 This reflects the position of related party / connected person status as at June 30, 2020.

19.2 Other transactions

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

	2020	2019
	(Rupees)	
Remuneration of the Management Company	67,947,595	45,586,647
Sindh sales tax on remuneration of the Management Company	8,833,492	5,926,269
Allocated expenses	5,715,228	4,474,856
Selling and marketing expenses	5,464,163	11,218,283
Sales load	1,122,223	6,643

	2020	2019
	----- (Rupees) -----	
Bank Alfalah Limited		
Profit on bank balances	1,668,623	715,506
Bank charges	25	5,700
Sales load	9,473,360	1,428,872
Alfalah GHP Value Fund		
Sukuk certificates - purchased	140,563,500	-
Sukuk certificates - sold	20,000,000	64,174,500
Alfalah GHP Income Multiplier Fund		
Sukuk certificates - purchased	18,696,000	-
Alfalah GHP Money Market Fund		
Sukuk certificates - sold	395,000,000	-
Alfalah GHP Islamic Value Fund		
Sukuk certificates - purchased	2,467,500	-
Sukuk certificates - sold	5,922,000	-
Alfalah GHP Income Fund		
Sukuk certificates - purchased	39,880,000	-
Alfalah GHP Sovereign Fund		
Sukuk certificates - purchased	119,640,000	-
Other related party		
Central Depository Company of Pakistan Limited (Trustee of the Fund)		
Remuneration of the Trustee	4,286,589	4,653,189
Sindh sales tax on remuneration of the Trustee	557,254	604,909
19.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	13,824,674	4,515,863
Sindh sales tax payable on management remuneration	1,913,973	703,522
Federal excise duty on management remuneration	779,745	779,745
Payable against allocated expenses	3,479,773	2,149,097
Selling and marketing expenses	4,939,638	5,574,826
Sales load payable to management company	28,524	6,643
Bank Alfalah Limited		
Bank balance	34,325,518	14,780,575
Profit receivable	703,927	78,087
Sale load payable	10,567,059	966,921
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	1,158,713	445,886
Sindh sales tax payable on trustee remuneration	148,657	55,991
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial asset measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorized as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	4,251,196,475	-	4,251,196,475
Investments	-	5,376,661,819	5,376,661,819
Profit receivable	189,012,174	-	189,012,174
Deposit	100,000	-	100,000
	<u>4,440,308,649</u>	<u>5,376,661,819</u>	<u>9,816,970,468</u>
Financial Liabilities			
Payable to the Management Company	24,966,327	-	24,966,327
Payable to the Trustee	1,307,370	-	1,307,370
Accrued and other liabilities	25,885,715	-	25,885,715
	<u>52,159,412</u>	<u>-</u>	<u>52,159,412</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial Assets			
Bank balances	2,220,409,931	-	2,220,409,931
Investments	-	2,326,888,447	2,326,888,447
Profit receivable	91,320,067	-	91,320,067
Deposit	100,000	-	100,000
	<u>2,311,829,998</u>	<u>2,326,888,447</u>	<u>4,638,718,445</u>
Financial Liabilities			
Payable to the Management Company	13,729,696	-	13,729,696
Payable to the Trustee	501,877	-	501,877
Accrued and other liabilities	2,403,467	-	2,403,467
	<u>16,635,040</u>	<u>-</u>	<u>16,635,040</u>

21 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 Profit rate risk

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

	Note	2020	2019
		----- (Rupees) -----	
Variable rate instruments (financial assets)			
Bank balances		4,251,196,475	2,220,409,931
Sukuk certificates		2,953,911,416	1,768,754,931
Commercial papers		316,430,849	198,133,516
		<u>7,521,538,740</u>	<u>4,187,298,378</u>
Fixed rate instruments (financial assets)			
Bai Muajjal receivable		905,586,304	-
GoP Ijara Sukuks		1,200,733,250	-
Term deposit receipts		-	360,000,000
		<u>2,106,319,554</u>	<u>360,000,000</u>

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 4.87 million (2019: Rs 2.88 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 12.02 million (2019: Rs 0.02 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

Particulars	2020					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.5% - 10.25%	4,251,196,475	-	-	-	4,251,196,475
Investments	7.65% - 13.35%	5,027,798,506	348,863,313	-	-	5,376,661,819
Profit receivable		-	-	-	189,012,174	189,012,174
Deposit		-	-	-	100,000	100,000
Sub total		9,278,994,981	348,863,313	-	189,112,174	9,816,970,468

Particulars	2020					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees)						
Financial liabilities						
Payable to the Management Company		-	-	-	24,966,327	24,966,327
Payable to the Trustee		-	-	-	1,307,370	1,307,370
Accrued and other liabilities		-	-	-	25,885,715	25,885,715
Sub total		-	-	-	52,159,412	52,159,412
On-balance sheet gap		9,278,994,981	348,863,313	-	136,952,762	9,764,811,056
Total profit rate sensitivity gap		9,278,994,981	348,863,313	-	136,952,762	9,764,811,056
Cumulative profit rate sensitivity gap		9,278,994,981	9,627,858,294	9,627,858,294		

Particulars	2019					Total
	Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year		
(Rupees)						
On-balance sheet financial instruments						
Financial assets						
Bank balances	4.75% - 13.60%	2,220,409,931	-	-	-	2,220,409,931
Investments	11.02% - 13.85%	2,013,448,447	313,440,000	-	-	2,326,888,447
Profit receivable		-	-	-	91,320,067	91,320,067
Deposit		-	-	-	100,000	100,000
Sub total		4,233,858,378	313,440,000	-	91,420,067	4,638,718,445
Financial liabilities						
Payable to the Management Company		-	-	-	13,729,696	13,729,696
Payable to the Trustee		-	-	-	501,877	501,877
Accrued and other liabilities		-	-	-	2,403,467	2,403,467
Sub total		-	-	-	16,635,040	16,635,040
On-balance sheet gap		4,233,858,378	313,440,000	-	74,785,027	4,622,083,405
Total profit rate sensitivity gap		4,233,858,378	313,440,000	-	74,785,027	4,622,083,405
Cumulative profit rate sensitivity gap		4,233,858,378	4,547,298,378	4,547,298,378		

21.1.3 Price risk

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

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

21.2 Credit risk

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

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

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	4,251,196,475	4,251,196,475	2,220,409,931	2,220,409,931
Investments	5,376,661,819	4,175,928,569	2,326,888,447	2,326,888,447
Profit receivable	189,012,174	170,592,808	91,320,067	91,320,067
Deposit	100,000	100,000	100,000	100,000
	<u>9,816,970,468</u>	<u>8,597,817,852</u>	<u>4,638,718,445</u>	<u>4,638,718,445</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities including profit receivable of Rs 1,219 million (2019: Nil) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

21.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Bank name	Rating agency	Rating (Short Term / Long Term)	2020	2019
			Percentage of total bank balances	
Soneri Bank Limited	PACRA	A1+ / AA-	17.64%	0.00%
Bank Alfalah Limited	PACRA	A1+ / AA+	0.81%	0.67%
Silk Bank Limited	VIS	A-2 / A-	0.10%	34.97%
MCB Bank Limited	PACRA	A1+ / AAA	0.46%	0.00%
Habib Bank Limited	VIS	A-1+ / AAA	0.00%	42.35%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	44.19%	21.86%
Bank Islami Pakistan Limited	PACRA	A1 / A+	13.79%	0.12%
National Bank of Pakistan	PACRA	A-1+ / AAA	0.06%	0.03%
Allied Bank Limited	PACRA	A1+ / AAA	22.96%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2020.

21.2.3 Investments

The Fund held investments in sukuk certificates, commercial papers, term deposit receipts and bai muajjal receivable with entities having following credit ratings:

Entity name	Rating agency	Rating (Short Term / Long Term)	2020	2019
			Percentage of investments	
Hascol Petroleum Limited	VIS	A-3 / BB+	0.68%	2.51%
Meezan Bank Limited	VIS	A-1+ / AA+	8.18%	12.08%
Engro Powergen Thar (Private) Limited	PACRA	A1 / A	0.90%	0.00%
International Brands Limited	VIS	A-2 / A	6.49%	13.47%
Dawood Hercules Corporation Limited	PACRA	A1+ / AA	6.67%	10.10%
Dubai Islamic Bank Pakistan Limited	VIS	A-1+ / AA	5.94%	29.04%
Hub Power Company Limited	PACRA	A1+ / AA+	12.89%	24.29%
K-Electric Limited	PACRA	A1+ / AA	5.89%	8.51%
Pak Oman Investment Company Limited	VIS	A-1+ / AA+	16.84%	0.00%
			<u>64.48%</u>	<u>100.00%</u>

This excludes investments made by the Fund in Government securities namely Pakistan Energy Sukuk II and GoP Ijara Sukuks.

Above ratings are on the basis of available rating assigned by PACRA and VIS as of June 30, 2020.

21.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

21.3 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

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

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	4,251,196,475	-	-	-	4,251,196,475
Investments	-	1,222,017,153	-	4,154,644,666	5,376,661,819
Profit receivable	37,669,503	-	151,342,671	-	189,012,174
Deposit	100,000	-	-	-	100,000
	4,288,965,978	1,222,017,153	151,342,671	4,154,644,666	9,816,970,468
Financial liabilities					
Payable to the Management Company	24,966,327	-	-	-	24,966,327
Payable to the Trustee	1,307,370	-	-	-	1,307,370
Accrued and other liabilities	25,885,715	-	-	-	25,885,715
	52,159,412	-	-	-	52,159,412
Net assets	<u>4,236,806,566</u>	<u>1,222,017,153</u>	<u>151,342,671</u>	<u>4,154,644,666</u>	<u>9,764,811,056</u>
----- Rupees -----					
2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
Financial assets					
Bank balances	2,220,409,931	-	-	-	2,220,409,931
Investments	360,000,000	198,133,516	565,000,000	1,203,754,931	2,326,888,447
Profit receivable	31,155,689	-	60,164,378	-	91,320,067
Deposit	100,000	-	-	-	100,000
	2,611,665,620	198,133,516	625,164,378	1,203,754,931	4,638,718,445
Financial liabilities					
Payable to the Management Company	13,729,696	-	-	-	13,729,696
Payable to the Trustee	501,877	-	-	-	501,877
Accrued and other liabilities	2,403,467	-	-	-	2,403,467
	16,635,040	-	-	-	16,635,040
Net assets	<u>2,595,030,580</u>	<u>198,133,516</u>	<u>625,164,378</u>	<u>1,203,754,931</u>	<u>4,622,083,405</u>

21.4 Fair value measurement

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

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

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

Fair value hierarchy

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

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

As at June 30, 2020, the Fund held the following financial instruments measured at fair values:

	2020			
	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss				
Sukuk certificates	-	2,953,911,416	-	2,953,911,416
Term deposit receipts*	-	-	-	-
Commercial papers**	-	316,430,849	-	316,430,849
GoP (Government of Pakistan) Ijara Sukuks	-	1,200,733,250	-	1,200,733,250
Bai Muajjal receivable*	-	905,586,304	-	905,586,304
	-	5,376,661,819	-	5,376,661,819
	2019			
	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through profit or loss				
Sukuk certificates	-	1,768,754,931	-	1,768,754,931
Term deposit receipts*	-	360,000,000	-	360,000,000
Commercial papers**	-	198,133,516	-	198,133,516
GoP (Government of Pakistan) Ijara Sukuks	-	-	-	-
Bai Muajjal receivable*	-	-	-	-
	-	2,326,888,447	-	2,326,888,447

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

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

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

21.5 Unit holder's fund management

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

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

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

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

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

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

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

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

23 CORRESPONDING FIGURES

Corresponding figures have been rearranged, reclassified or additionally incorporated in the financial statements, wherever necessary, to facilitate comparison and to conform with the changes in presentation. No significant rearrangements or reclassifications were made in these financial statements.

24 GENERAL

24.1 Rounding off

Figures are rounded off to the nearest rupee.

24.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The SECP has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

24.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

25 **DISTRIBUTIONS MADE**

Particulars	Date of distribution	Per unit distribution	Capital value	Undistributed income
Final distribution for the year ended June 30, 2018	2-Jul-18	4.2713	59,681,678	119,902,726
1st interim distribution for the year ended June 30, 2019	29-Mar-19	4.5581	65,026,903	120,106,099
2nd interim distribution for the year ended June 30, 2019	29-May-19	1.4397	16,076,456	46,403,026
Final distribution for the year ended June 30, 2019	30-Jun-19	0.9110	5,149,861	35,677,360
For the year ended June 30, 2019			<u>145,934,898</u>	<u>322,089,211</u>
1st interim distribution for the year ended June 30, 2020	26-Sep-19	2.8076	42,610,523	83,099,394
2nd interim distribution for the year ended June 30, 2020	27-Feb-20	5.3556	157,219,905	112,422,891
3rd interim distribution for the year ended June 30, 2020	4-May-20	2.0736	60,383,341	79,575,688
4th interim distribution for the year ended June 30, 2020	29-May-20	0.5331	13,720,247	32,934,067
5th interim distribution for the year ended June 30, 2020	24-Jun-20	0.4469	7,074,860	34,195,231
For the year ended June 30, 2020			<u>281,008,876</u>	<u>342,227,271</u>

26 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by Board of Directors of the Management Company on **24 August, 2020**.

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

Chief Executive Officer

Chief Financial Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	1029	32,479,837	3,313,910,000	34%
Associated Co./ Directors	3	65,181	6,650,000	0%
Insurance Co.	7	6,002,270	612,410,000	6%
Retirement & Other Funds	13	2,873,905	293,220,000	3%
Others	32	53,890,494	5,498,440,049	57%
	1084	95,311,687	9,724,630,049	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	704	11,104,710	1,131,588,864	25%
Associated Co./ Directors	2	59,192	6,031,724	0%
Insurance Co.	6	648,894	66,123,441	1%
Retirement & Other Funds	6	2,057,555	209,668,316	5%
Others	26	31,313,657	3,190,914,550	69%
	744	45,184,008	4,604,326,895	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
NEXT CAPITAL LIMITED	59.14%
BIPL SECURITIES LIMITED	20.40%
INVEST ONE MARKET LIMITED	10.34%
VECTOR SECURITIES LIMITED	10.11%
	30 June 2019
	%
NEXT CAPITAL LIMITED	14.26%
BIPL SECURITIES LIMITED	20.76%
JS GLOBAL CAPITAL - BRKG	45.41%
BMA CAPITAL	3.89%
KASB SECURITIES	15.67%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Sana Abdullah

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

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

Wahaj Ahmed

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

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**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 - IGI IIF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
----- (Rupees in '000) -----					
Net Assets	9,724,629	4,604,327	4,435,965	2,775,156	100,172
NAV per unit	102.0298	101.9017	105.5066	101.2353	100.6098
Selling price per unit	103.1827	103.0532	106.6988	102.3793	101.9403
Redemption price per unit	102.0298	101.9017	105.5066	101.2353	100.6098
Highest selling price per unit	108.4693	107.5010	106.6988	106.9915	106.4243
Highest redemption price per unit	107.2573	106.2998	105.5066	105.7960	105.0353
Lowest selling price per unit	103.0741	102.9520	102.3363	101.9137	1018566.0000
Lowest redemption price per unit	101.9224	101.3135	101.1928	100.7749	100.5272
1st interim distribution per unit	2.8076	4.5581	Nil	4.7495	4.8198
Interim distribution date	26-Sep-19	29-Mar-19	N/A	22-Jun-17	29-Jun-16
2nd interim distribution per unit	5.3556	1.4397	Nil	Nil	Nil
Interim distribution date	27-Feb-20	29-May-19	N/A	N/A	N/A
3rd interim distribution per unit	2.0736	Nil	Nil	Nil	Nil
Interim distribution date	5-May-20	N/A	N/A	N/A	N/A
4th interim distribution per unit	0.5331	Nil	Nil	Nil	Nil
Interim distribution date	29-May-20	N/A	N/A	N/A	N/A
Final distribution per unit	0.4669	0.911	4.2713	Nil	Nil
Final distribution date	24-Jun-20	30-Jun-19	2-Jul-18	N/A	N/A
Annualized returns	11.56%	7.60%	4.22%	5.35%	4.91%
Income distribution	11.03%	6.55%	4.22%	4.72%	4.80%
Weighted avg. portfolio duration	0.56Yrs	1.48Yrs	2.02Yrs	2.33Yrs	2.57Yrs

Return since inception is 7.45%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah
GHP Alpha Fund

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Alpha Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of Alfalah GHP Alpha Fund (AGAF) is seeking long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Equity Market Review

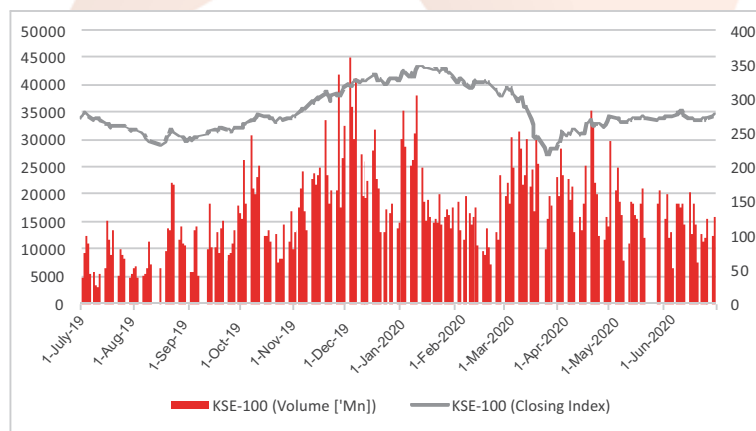
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

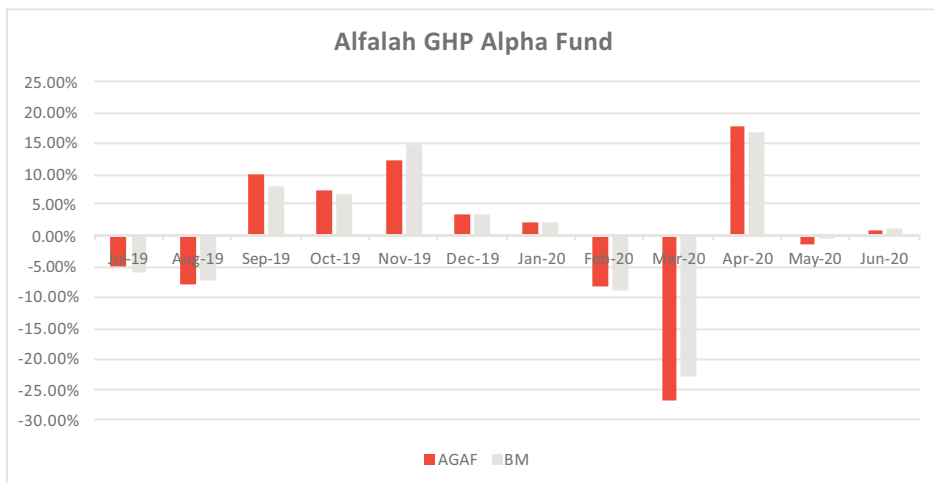
Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.



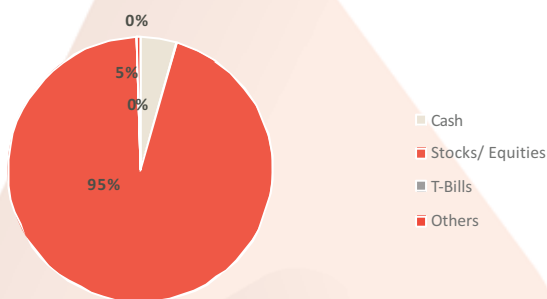
Fund Performance

During FY20, AGAF earned a return of -3.37% versus the benchmark (KSE-100) return of 1.53% during the same period.

The fund maintained average equity exposure more than 90% through the period. The fund remained invested in index heavy sectors (Banking and E&P) as they presented attractive valuation.



Asset Allocation (as at 30 June 2020)



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ALPHA FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Alpha Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Alpha Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Alpha Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 864.37 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP ALPHA FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Assets			
Bank balances	4	42,909,170	48,913,003
Investments	5	864,366,899	935,693,050
Dividend and mark-up receivable	6	1,244,391	1,480,125
Advance and deposits	7	2,752,734	2,757,746
Receivable against sale of investments		-	71,321,527
Total assets		911,273,194	1,060,165,451
Liabilities			
Payable to the Management Company	8	16,110,602	13,001,748
Payable to the Trustee	9	151,382	199,323
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	192,371	1,455,578
Payable against purchase of investments	11	3,381,415	-
Accrued and other liabilities	12	16,754,066	16,866,643
Total liabilities		36,589,836	31,523,292
Net assets attributable to the unit holders		<u>874,683,358</u>	<u>1,028,642,159</u>
Unit holders' fund (as per statement attached)		<u>874,683,358</u>	<u>1,028,642,159</u>
Contingencies and commitments			
	13		
		----- Number of units -----	
Number of units in issue		<u>16,334,940</u>	<u>18,560,863</u>
		----- (Rupees) -----	
Net asset value per unit		<u>53.5468</u>	<u>55.4200</u>

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Income			
Profit / Mark-up income	14	8,966,954	14,091,209
Dividend income		51,933,092	76,813,489
Loss on sale of investments - net		(21,996,191)	(196,688,986)
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.5	(46,061,682)	(136,862,211)
Total loss		(7,157,827)	(242,646,499)
Expenses			
Remuneration of the Management Company	8.1	16,832,910	26,813,458
Performance fee of the Management Company	8.2	2,498,252	956,183
Sindh sales tax on remuneration of the Management Company	8.3	2,188,276	3,485,756
Sindh sales tax on performance fee of the Management Company	8.3	324,772	124,312
Allocated expenses	8.5	1,107,520	1,532,106
Selling and marketing expenses	8.6	7,490,166	6,128,440
Remuneration of the Trustee	9.1	1,885,618	2,532,205
Sindh sales tax on remuneration of the Trustee	9.2	245,136	329,190
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10	192,371	1,455,578
Brokerage expense & capital value tax		4,427,825	5,714,891
Bank and settlement charges		622,222	675,425
Auditors' remuneration	15	755,535	755,550
CDS charges		216,000	365,000
Printing charges		30,000	70,159
Fee and subscription		26,855	233,882
Total expenses		38,843,458	51,172,135
Net loss for the year before taxation		(46,001,285)	(293,818,634)
Taxation	16	-	-
Net loss for the year after taxation		(46,001,285)	(293,818,634)
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution		-	-
- Relating to capital gains		-	-
- Excluding capital gains		-	-

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net loss for the year after taxation	(46,001,285)	(293,818,634)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(46,001,285)</u>	<u>(293,818,634)</u>

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	Rupees			Rupees		
Net assets at the beginning of the year	1,262,652,657	(234,010,498)	1,028,642,159	1,692,206,802	199,640,483	1,891,847,285
Issuance of 11,434,236 units (2019: 29,360,701 units)						
- Capital value (at net asset value per unit at the beginning of the year)	633,685,339	-	633,685,339	1,971,888,168	-	1,971,888,168
- Element of income	31,623,081	-	31,623,081	(86,733,318)	-	(86,733,318)
Total proceeds on issuance of units	665,308,420	-	665,308,420	1,885,154,850	-	1,885,154,850
Redemption of 13,660,159 units (2019: 36,887,962 units)						
- Capital value (at net asset value per unit at the beginning of the year)	757,045,987	-	757,045,987	2,477,425,038	-	2,477,425,038
- Element of income	16,219,949	-	16,219,949	(162,716,043)	-	(162,716,043)
Total payments on redemption of units	773,265,936	-	773,265,936	2,314,708,995	-	2,314,708,995
Total comprehensive loss for the year	-	(46,001,285)	(46,001,285)	-	(293,818,634)	(293,818,634)
Bonus distribution for the year ended June 30, 2018 @ Rs 5.3568 per unit on July 02, 2018	-	-	-	-	(139,832,347)	(139,832,347)
Net assets at the end of the year	1,154,695,141	(280,011,783)	874,683,358	1,262,652,657	(234,010,498)	1,028,642,159
	(Rupees)			(Rupees)		
Undistributed income brought forward						
- Realised income		(97,148,287)			288,510,689	
- Unrealised loss		(136,862,211)			(88,870,206)	
		<u>(234,010,498)</u>			<u>199,640,483</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(46,001,285)			(293,818,634)	
Bonus distribution for the year ended June 30, 2018 @ Rs 5.3568 per unit on July 02, 2018		-			(139,832,347)	
Accumulated loss		<u>(280,011,783)</u>			<u>(234,010,498)</u>	
Accumulated loss carried forward						
- Realised loss		(233,950,101)			(97,148,287)	
- Unrealised loss		(46,061,682)			(136,862,211)	
		<u>(280,011,783)</u>			<u>(234,010,498)</u>	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			<u>55.4200</u>			<u>72.5176</u>
Net asset value per unit at the end of the year			<u>53.5468</u>			<u>55.4200</u>

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(46,001,285)	(293,818,634)
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		46,061,682	136,862,211
		60,397	(156,956,423)
Decrease / (increase) in assets			
Investments - net		25,264,469	718,308,152
Advance and deposits		5,012	(5,012)
Dividend and mark-up receivable		235,736	2,531,928
Receivable against sale of investments		71,321,527	(71,321,527)
		96,826,744	649,513,541
Increase / (decrease) in liabilities			
Payable to the Management Company		3,108,854	(2,626,111)
Payable to the Trustee		(47,941)	(63,061)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(1,263,207)	(266,337)
Payable against purchase of investments		3,381,415	(807,627)
Accrued and other liabilities		(112,579)	3,469,325
		5,066,542	(293,811)
Net cash flows generated from operating activities		101,953,683	492,263,307
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		665,308,420	1,745,322,503
Amount paid against redemption of units		(773,265,936)	(2,314,708,995)
Net cash flows used in financing activities		(107,957,516)	(569,386,492)
Net decrease in cash and cash equivalents during the year		(6,003,833)	(77,123,185)
Cash and cash equivalents at the beginning of the year		48,913,003	126,036,188
Cash and cash equivalents at end of the year	4	42,909,170	48,913,003

The annexed notes from 1 to 24 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ALPHA FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Alpha Fund (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on December 27, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (NBFC Rules), on February 29, 2008. The SECP approved the first Supplemental Trust Deed under the NBFC Rules, vide its letter No. NBFC/RS/AGIML/AGAF/176/2010 dated February 26, 2010 to modify and restate the previous trust Deed to effectuate renaming of the Fund to Alfalah GHP Alpha Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities. The Fund invests in equity securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendment	Effective date (accounting period beginning on or after)
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.2)
- Taxation (notes 3.7 and 16)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured at 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains or losses arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognised in the income statement in the period in which they arise.
- Unrealised gain or losses in the value of investments classified as financial assets 'at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit / markup on bank balances is recognised on an accrual basis.
- Income on Government securities is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / loss per unit

Earnings / loss per unit is calculated by dividing the net income / loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / loss per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Foreign Currency Translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2020	2019
		----- (Rupees) -----	
In saving accounts	4.1	42,889,170	48,913,003
In current accounts		20,000	-
		<u>42,909,170</u>	<u>48,913,003</u>

4.1 These accounts carry profit rates ranging between 6.5% to 14.35% (2019: 6.80% to 13.15%) per annum. These include bank balance of Rs. 40.332 million (2019: Rs. 46.078 million) maintained with Bank Alfalah Limited, a related party, carrying profit at the rate of 6.5% (2019: 13.10%) per annum.

5 INVESTMENTS	Note	2020	2019
		----- (Rupees) -----	
At fair value through profit or loss			
Listed equity securities	5.1	864,366,899	935,693,050
Market Treasury Bills	5.4	-	-
		<u>864,366,899</u>	<u>935,693,050</u>

5.1 Listed equity securities

Fully paid up ordinary shares with a face value of Rs. 10/- each unless stated otherwise.

Name of the investee company	As at July 01, 2019	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at June 30, 2020	As at June 30, 2020			Market Value as a percentage of	
						Carrying value	Market value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments
----- Number of shares -----						----- (Rupees) -----			----- (%) -----	
Textile Composite										
Gul Ahmed Textile Mills Limited	321,269	249,000	68,953	254,000	385,222	15,503,953	11,028,966	(4,474,987)	1.26%	1.28%
Interloop Limited	209,500	165,000	-	234,500	140,000	6,598,537	6,148,860	(449,677)	0.70%	0.71%
Kohinoor Textile Mills Limited	-	244,500	-	38,000	206,500	8,065,135	7,332,875	(732,260)	0.84%	0.85%
Nishat Mills Limited	214,900	219,400	-	266,000	168,300	14,887,493	13,129,143	(1,758,350)	1.50%	1.52%
Nishat (Chunian) Limited	144,000	178,000	-	322,000	-	-	-	-	0.00%	0.00%
						<u>45,055,118</u>	<u>37,639,844</u>	<u>(7,415,274)</u>	<u>4.30%</u>	<u>4.36%</u>
Cement										
Attock Cement Pakistan Limited	-	76,000	-	20,500	55,500	6,902,871	6,917,025	14,154	0.79%	0.80%
Cherat Cement Company Limited	-	225,000	-	137,500	87,500	6,406,088	8,150,455	1,744,367	0.93%	0.94%
D. G. Khan Cement Company Limited	-	742,000	-	586,000	156,000	12,429,258	13,567,530	1,138,272	1.55%	1.57%
Fauji Cement Company Limited	-	287,000	-	279,500	7,500	137,448	126,660	(10,788)	0.01%	0.01%
Kohat Cement Company Limited	49,500	127,500	-	114,000	63,000	6,970,610	8,659,410	1,688,800	0.99%	1.00%
Lucky Cement Limited	45,600	213,500	-	171,000	88,100	37,660,268	40,665,258	3,004,990	4.65%	4.70%
Maple Leaf Cement Factory Limited	14,487	1,666,588	-	1,176,000	505,075	11,937,134	13,121,909	1,184,775	1.50%	1.52%
Maple Leaf Cement Factory Limited – right	-	406,588	-	406,588	-	-	-	-	0.00%	0.00%
Pioneer Cement Limited	-	231,000	-	104,000	127,000	6,244,295	8,163,740	1,919,445	0.93%	0.94%
						<u>88,687,972</u>	<u>99,371,987</u>	<u>10,684,015</u>	<u>11.35%</u>	<u>11.48%</u>
Power Generation & Distribution										
The Hub Power Company Limited	928,713	691,500	-	815,500	804,713	66,127,179	58,776,753	(7,350,426)	6.72%	6.80%
K-Electric Limited	-	1,260,000	-	394,000	866,000	3,663,004	2,606,720	(1,056,284)	0.30%	0.30%
(face value of Rs 3.5 per share)	-	1,260,000	-	394,000	866,000	3,663,004	2,606,720	(1,056,284)	0.30%	0.30%
Kot Addu Power Company Limited	869,000	673,000	-	1,529,500	12,500	429,044	251,935	(177,109)	0.03%	0.03%
						<u>70,219,227</u>	<u>61,635,408</u>	<u>(8,583,819)</u>	<u>7.05%</u>	<u>7.13%</u>
Engineering										
International Industries Limited	30,100	226,000	6,360	213,500	48,960	4,962,900	4,491,161	(471,739)	0.51%	0.52%
International Steels Limited	300	534,000	-	444,900	89,400	4,449,516	4,617,570	168,054	0.53%	0.53%
Mughal Iron & Steel Industries Limited	-	409,000	-	163,500	245,500	10,248,414	9,790,600	(457,814)	1.12%	1.13%
						<u>19,660,830</u>	<u>18,899,331</u>	<u>(761,499)</u>	<u>2.16%</u>	<u>2.18%</u>
Automobile Assembler										
Honda Atlas Cars (Pakistan) Limited	-	48,500	-	19,400	29,100	5,811,432	5,636,148	(175,284)	0.64%	0.65%
Indus Motor Company Limited	50	980	-	-	1,030	1,065,959	1,024,900	(41,059)	0.12%	0.12%
Millat Tractors Limited	4,500	2,150	368	3,200	3,818	2,781,098	2,696,179	(84,919)	0.31%	0.31%
						<u>9,658,489</u>	<u>9,357,227</u>	<u>(301,262)</u>	<u>1.07%</u>	<u>1.08%</u>

Name of the investee company	As at July 01, 2019	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at June 30, 2020	As at June 30, 2020			Market Value as a percentage of	
						Carrying value	Market value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments
					----- (Rupees) -----			----- (%) -----		
Transport										
Pakistan National Shipping Corporation	-	43,500	-	-	43,500	3,361,550	3,286,920	(74,630)	0.38%	0.38%
						3,361,550	3,286,920	(74,630)	0.38%	0.38%
Pharmaceuticals										
AGP Limited	-	77,000	-	25,500	51,500	4,745,422	5,651,670	906,248	0.65%	0.65%
GlaxoSmithKline Pakistan Limited (a related party)	-	29,500	-	4,900	24,600	3,849,545	4,282,428	432,883	0.49%	0.50%
Highnoon Laboratories Limited	-	15,300	1,445	3,150	13,595	6,286,255	6,814,962	528,707	0.78%	0.79%
The Searle Company Limited	4,694	94,000	-	39,500	59,194	10,629,326	11,793,281	1,163,955	1.35%	1.36%
Ferozsons Laboratories Limited	-	23,500	-	23,500	-	-	-	-	0.00%	0.00%
						25,510,548	28,542,341	3,031,793	3.27%	3.30%
Paper & Board										
Century Paper & Board Mills Limited	-	75,500	-	-	75,500	4,597,715	5,403,595	805,880	0.62%	0.63%
						4,597,715	5,403,595	805,880	0.62%	0.63%
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	59,131	38,400	5,081	62,040	40,572	40,842,814	50,173,424	9,330,610	5.74%	5.80%
Oil & Gas Development Company Limited	471,100	684,000	-	741,900	413,200	48,385,820	45,038,860	(3,346,960)	5.15%	5.21%
Pakistan Oilfields Limited	69,610	70,000	-	91,900	47,710	18,925,804	16,728,617	(2,197,187)	1.91%	1.94%
Pakistan Petroleum Limited	409,455	682,500	93,191	763,700	421,446	43,780,783	36,573,144	(7,207,639)	4.18%	4.23%
						151,935,221	148,514,045	(3,421,176)	16.98%	17.18%
Oil & Gas Marketing Companies										
Hascol Petroleum Limited	5,161	614,102	-	208,000	411,263	6,050,764	5,593,237	(457,527)	0.64%	0.65%
Hascol Petroleum Limited - right	-	210,102	-	210,102	-	-	-	-	0.00%	0.00%
Pakistan State Oil Company Limited	121,564	192,500	15,912	216,600	113,376	18,313,496	17,931,608	(381,888)	2.05%	2.07%
Sui Northern Gas Pipelines Limited	194,000	312,500	-	302,000	204,500	13,251,127	11,165,760	(2,085,367)	1.28%	1.29%
						37,615,387	34,690,605	(2,924,782)	3.97%	4.01%
Commercial Banks										
Allied Bank Limited	148,500	100,000	-	149,100	99,400	8,421,360	7,612,112	(809,248)	0.87%	0.88%
Bank Alfalah Limited	1,493,750	602,000	-	1,600,500	495,250	21,444,040	16,625,603	(4,818,437)	1.90%	1.92%
Bank Al-Habib Limited	398,500	466,000	-	556,002	308,498	22,634,213	16,134,505	(6,499,708)	1.84%	1.87%
Bank of Punjab	2,252,500	2,915,000	-	2,497,500	2,670,000	25,526,473	22,428,060	(3,098,413)	2.56%	2.59%
Faysal Bank Limited	5,250	165,000	-	-	170,250	2,331,910	2,371,643	39,733	0.27%	0.27%
Habib Bank Limited	344,800	686,300	-	560,700	470,400	59,895,090	45,567,708	(14,327,382)	5.21%	5.27%
MCB Bank Limited	221,600	278,800	-	236,800	263,600	46,898,981	42,721,712	(4,177,269)	4.88%	4.94%
Meezan Bank Limited	363,320	191,500	-	489,500	65,320	5,595,398	4,497,342	(1,098,056)	0.51%	0.52%
National Bank of Pakistan	-	589,500	-	398,500	191,000	7,620,593	5,281,210	(2,339,383)	0.60%	0.61%
United Bank Limited	315,700	498,400	-	381,100	433,000	59,586,393	44,754,940	(14,831,453)	5.12%	5.18%
						259,954,451	207,994,835	(51,959,616)	23.76%	24.05%
Inv. Banks / Inv. Cos. / Securities Cos.										
Dawood Hercules Corporation Limited	-	92,000	-	17,700	74,300	11,329,189	9,504,516	(1,824,673)	1.09%	1.10%
						11,329,189	9,504,516	(1,824,673)	1.09%	1.10%
Fertilizer										
Engro Corporation Limited	287,200	173,400	-	280,500	180,100	52,874,342	52,754,952	(119,390)	6.03%	6.10%
Engro Fertilizers Limited	714,500	603,500	-	926,000	392,000	25,462,860	23,629,820	(1,833,040)	2.70%	2.73%
Fauji Fertilizer Bin Qasim Limited	-	169,500	-	24,000	145,500	2,061,270	2,322,240	260,970	0.27%	0.27%
Fauji Fertilizer Company Limited	506,000	430,508	-	641,000	295,508	28,268,765	32,502,985	4,234,220	3.72%	3.76%
						108,667,237	111,209,997	2,542,760	12.72%	12.86%
Chemical										
Descon Oxychem Limited	-	180,500	-	15,000	165,500	3,979,571	4,940,235	960,664	0.56%	0.57%
Engro Polymer & Chemicals Limited	1,357,500	854,000	-	1,781,000	430,500	11,579,127	10,753,950	(825,177)	1.23%	1.24%
ICI Pakistan Limited	50	7,400	-	-	7,450	5,241,021	5,175,650	(65,371)	0.59%	0.60%
Ittehad Chemicals Limited	-	173,000	-	-	173,000	3,628,200	4,558,610	930,410	0.52%	0.53%
Lotte Chemical Pakistan Limited	-	501,000	-	50,000	451,000	4,577,542	4,487,510	(90,032)	0.51%	0.52%
Sitara Peroxide Limited	-	190,000	-	-	190,000	3,767,125	3,908,575	141,450	0.45%	0.45%
						32,772,586	33,824,530	1,051,944	3.86%	3.91%

Name of the investee company	As at July 01, 2019	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at June 30, 2020	As at June 30, 2020			Market Value as a percentage of	
						Carrying value	Market value	Unrealised appreciation/ (diminution)	Net assets of the Fund	Total investments
						----- Number of shares -----			----- (Rupees) -----	
									----- (%) -----	
Automobile Parts & Accessories										
Thal Limited										
(face value Rs. 5 per share)	-	28,700	-	1,500	27,200	10,047,689	8,838,428	(1,209,261)	1.01%	1.02%
						10,047,689	8,838,428	(1,209,261)	1.01%	1.02%
Technology & Communication										
Systems Limited										
	200,100	141,500	-	175,000	166,600	17,632,195	30,601,148	12,968,953	3.51%	3.58%
						17,632,195	30,601,148	12,968,953	3.51%	3.58%
Food & Personal Care Products										
At-Tahur Limited										
	-	179,000	-	-	179,000	3,073,290	3,118,690	45,400	0.36%	0.36%
Fauji Foods Limited										
	11,000	442,000	-	33,000	420,000	3,898,623	3,969,060	70,437	0.45%	0.46%
FrieslandCampina Engro Pakistan Limited										
	-	41,500	-	2,000	39,500	2,273,621	2,903,698	630,077	0.33%	0.34%
						9,245,534	9,991,448	745,914	1.14%	1.16%
Vanaspati & Allied Industries										
Unity Foods Limited										
	-	455,000	-	8,500	446,500	4,435,497	4,978,535	543,038	0.57%	0.58%
						4,435,497	4,978,535	543,038	0.57%	0.58%
Miscellaneous										
Synthetic Products Enterprises Limited										
	1,900	-	76	-	1,976	42,146	82,159	40,013	0.01%	0.01%
						42,146	82,159	40,013	0.01%	0.01%
As at June 30, 2020						910,428,581	864,366,899	(46,061,682)	98.82%	100.00%
As at June 30, 2019						1,072,555,261	935,693,050	(136,862,211)	90.96%	100.00%

- 5.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. During the year, the CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2020, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the investee company	2020		2019	
	Bonus Shares		Bonus Shares	
	Number	Market value (Rupees)	Number	Market value (Rupees)
Hascol Petroleum Limited	3,891	52,918	3,537	242,709
The Searle Company Limited	4,594	915,263	4,594	673,297
Synthetic Products Enterprises Limited	1,139	47,360	1,095	24,298
Gul Ahmed Textiles Mills Limited	450	12,884	375	17,670
Pakistan State Oil Company limited	2,032	321,381	1,694	287,353
Faysal Bank Limited	4,463	62,170	4,463	96,044
		<u>1,411,976</u>		<u>1,341,371</u>

5.3 The above investments include shares having a market value (in aggregate) amounting to Rs 50.28 million (2019: Rs 58.21 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Investee Company	2020		2019	
	Number of shares	Market value (Rupees)	Number of shares	Market value (Rupees)
Hub Power Company Limited	280,000	20,300,000	280,000	22,050,000
Oil and Gas Development Company Limited	275,000	29,975,000	275,000	36,159,750
		<u>50,275,000</u>		<u>58,209,750</u>

5.4 Market Treasury Bills

Tenor	Face Value				Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised appreciation / (diminution)	Market value as a percentage of	
	As at July 1, 2019	Purchased during the year	Sold / Matured during the year	As at June 30, 2020				Net assets of the fund	Total market value of investments
	(Rupees)							%	
Market Treasury Bills - 3 months	-	28,000,000	28,000,000	-	-	-	-	-	-
Total as at June 30, 2020	-	28,000,000	28,000,000	-	-	-	-	-	-
Total as at June 30, 2019		150,000,000	150,000,000	-	-	-	-	-	-

5.5 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	2020	2019
		----- Rupees -----	
Market value of investments		864,366,899	935,693,050
Less: Carrying amount of investments		<u>(910,428,581)</u>	<u>(1,072,555,261)</u>
		<u>(46,061,682)</u>	<u>(136,862,211)</u>

6 DIVIDEND AND MARK-UP RECEIVABLE

Dividend receivable		148,604	280,629
Mark-up receivable on bank balances	6.1	<u>1,095,787</u>	<u>1,199,496</u>
		<u>1,244,391</u>	<u>1,480,125</u>

6.1 This includes accrued markup of Rs. 374,557 (2019: Rs. 42,763) receivable from Bank Alfalah Limited (a related party).

7 ADVANCE AND DEPOSITS	Note	2020	2019
		----- Rupees -----	
Security deposits with:			
- Central Depository Company of Pakistan Limited (CDC)		200,000	200,000
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
Advance tax	7.1	52,734	52,734
Deposits		-	5,012
		2,752,734	2,757,746

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends has been shown as a receivable as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO THE MANAGEMENT COMPANY	Note	2020	2019
		----- Rupees -----	
Management remuneration payable	8.1	1,264,317	1,832,769
Performance fee payable to the management company	8.2	2,875,109	866,619
Sindh sales tax payable on management remuneration	8.3	832,744	906,646
Sindh sales tax payable on performance fee	8.3	475,487	214,381
Federal excise duty payable on management remuneration	8.4	4,879,884	4,879,884
Federal excise duty payable on performance fee	8.4	297,850	297,850
Payable against allocated expenses	8.5	193,274	687,022
Payable against marketing and selling expenses	8.6	4,811,313	2,748,092
Sales load payable		480,624	568,485
		16,110,602	13,001,748

- 8.1 The Management Company has charged remuneration at a rate of 1.75% (2019: 1.75%) of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2 The Management Company has charged performance fee on out-performance of the Fund over the hurdle rate as defined in the offering document.
- 8.3 During the year, an amount of Rs. 2.513 million (2019: Rs. 3.610 million) was charged on account of sales tax on management fee and performance fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.326 million (2019: Rs. 3.776 million) has been paid to the Management Company which acts as a collecting agent.
- 8.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.18 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2020 would have been higher by Re 0.32 per unit (2019: Re 0.28 per unit).

- 8.5 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 8.6 The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9 PAYABLE TO THE TRUSTEE	Note	2020	2019
----- Rupees -----			
Trustee remuneration payable	9.1	144,456	186,885
Sindh Sales Tax payable on trustee remuneration	9.2	6,926	12,438
		151,382	199,323

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Average net asset value	Tariff per annum
Up to Rs 1 billion	Rs 0.7 million or 0.20% per annum of net assets whichever is higher
Over Rs 1 billion	Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1 billion

The same level of trustee fee was charged during the previous year 2019.

- 9.2 During the year, an amount of Rs 0.245 million (2019: Rs. 0.329 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.257 million (2019: Rs. 0.336 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2019: 0.095%) of the average annual net assets of the Fund.

11 PAYABLE AGAINST PURCHASE OF INVESTMENTS

This represents payable against purchase of investments which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange regulations. These amounts have been paid subsequent to the year.

12 ACCRUED AND OTHER LIABILITIES	Note	2020	2019
----- Rupees -----			
Provision for Sindh Workers' Welfare Fund	12.1	11,039,300	11,039,300
Auditors' remuneration payable		646,715	558,512
Withholding tax payable		1,629,769	1,645,925
Capital gain tax payable		276,255	275,334
Brokerage payable		1,891,671	2,227,188
Settlement charges payable		124,881	23,973
Annual fee payable		865,362	824,182
Printing charges payable		23,538	23,540
Other payable		251,395	248,689
Sales load payable		5,180	-
		16,754,066	16,866,643

- 12.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these financial statements of the Fund, the net asset value of the Fund as at June 30, 2020 would have been higher by Re. 0.68 per unit (2019: Re. 0.59 per unit).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and 30 June 2019.

14 PROFIT / MARK-UP INCOME	2020	2019
	----- (Rupees) -----	
Profit / mark-up income on:		
- Market Treasury Bills	827,162	1,000,859
- Bank balances	8,139,792	13,090,350
	<u>8,966,954</u>	<u>14,091,209</u>
15 AUDITORS' REMUNERATION		
Audit fee	400,000	400,000
Review and other certifications	227,000	227,000
Out of pocket expenses	50,145	50,160
Sindh sales tax	78,390	78,390
	<u>755,535</u>	<u>755,550</u>

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 4.04% which includes 0.37% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

18.1 Unit Holders' Fund

Note	2020										
	As at July 01, 2019	Issued for cash	Bonus	Redeemed	As at June 30, 2020	As at July 01, 2019	Issued for cash	Bonus	Redeemed	As at June 30, 2020	
	Units					(Rupees)					
Associated companies / undertakings											
Bank Alfalah Limited - Employees Provident Fund	18.1.1	2,569,616	-	-	-	2,569,616	142,408,137	-	-	-	137,594,732
Alfalah GHP Prosperity Planning Fund	18.1.1	833,864	2,251,803	-	1,220,800	1,864,867	46,212,742	131,500,000	-	68,513,451	99,863,627
Key Management Personnel (Employees)											
Fund Manager	18.1.1	2,645	8,155	-	7,281	3,519	146,609	484,653	-	422,236	188,445
Unit Holders Holding 10% or more units											
Sindh General Provident Investment Fund	18.1.1	3,912,181	-	-	-	3,912,181	216,813,093	-	-	-	209,484,795
Sindh Province Pension Fund	18.1.1	3,209,451	-	-	-	3,209,451	177,867,774	-	-	-	171,855,830
Nusrat Bukhari	18.1.1	2,347,167	-	-	704,150	1,643,017	130,080,010	-	-	36,186,278	87,978,307

	2019										
	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at June 30, 2019	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at June 30, 2019	
	Units					(Rupees)					
Associated companies / undertakings											
Bank Alfalah Limited - Employees Provident Fund		2,379,694	-	189,922	-	2,569,616	172,569,644	-	12,755,162	-	142,408,137
Alfalah GHP Prosperity Planning Fund		3,132,077	976,175	249,969	3,524,357	833,864	209,044,923	61,000,000	16,132,469	216,043,593	46,121,742
Key Management Personnel (Employees)											
Fund Manager		-	2,645	-	-	2,645	-	159,998	-	-	146,609
Unit Holders Holding 10% or more units											
Sindh General Provident Investment Fund		3,623,029	-	289,152	-	3,912,181	262,733,264	-	19,419,439	-	216,813,093
Sindh Province Pension Fund		1,412,903	1,683,785	112,763	-	3,209,451	102,463,718	100,000,000	7,573,160	-	177,867,774
Nusrat Bukhari		2,213,644	4,112,251	176,670	4,155,397	2,347,167	160,533,490	270,023,814	11,865,134	271,059,359	130,080,010

18.1.1 This reflects the position of related party / connected persons as at June 30, 2020.

18.2 Other transactions

	2020	2019
	----- Rupees -----	
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	16,832,910	26,813,458
Performance fee of the Management Company	2,498,252	956,183
Sindh sales tax on remuneration of the Management Company	2,188,276	3,485,756
Sindh sales tax on performance fee of the Management Company	324,772	124,312
Allocated expenses	1,107,520	1,532,106
Selling and marketing expenses	7,490,166	6,128,440
Sales load	6,970,061	43,627,988
Bank Alfalah Limited		
Profit on bank balances	7,429,979	7,563,661
Bank charges	9,710	30,958
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,885,618	2,532,205
Sindh sales tax on remuneration of the Trustee	245,136	329,190
CDS charges	216,000	365,000

18.3 Other balances

Associated companies / undertakings	2020	2019
	----- Rupees -----	
Alfalsh GHP Investment Management Limited - Management Company		
Management remuneration payable	1,264,317	1,832,769
Performance fee payable to the management company	2,875,109	866,619
Sindh sales tax payable on management remuneration	832,744	906,646
Sindh sales tax payable on performance fee	475,487	214,381
Federal excise duty payable on management remuneration	4,879,884	4,879,884
Federal excise duty payable on performance fee	297,850	297,850
Payable against allocated expenses	193,274	687,022
Payable against marketing and selling expenses	4,811,313	2,748,092
Sales load payable	480,624	568,485
Bank Alfalah Limited		
Bank balance	40,331,722	46,077,960
Profit receivable on bank balances	374,557	42,763
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	144,456	186,885
Sindh sales tax payable on trustee remuneration	6,926	12,438
Security deposit	200,000	200,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	42,909,170	-	42,909,170
Investments	-	864,366,899	864,366,899
Dividend and mark-up receivable	1,244,391	-	1,244,391
Deposits	2,700,000	-	2,700,000
Receivable against sale of investments	-	-	-
	<u>46,853,561</u>	<u>864,366,899</u>	<u>911,220,460</u>
Financial liabilities			
Payable to the Management Company	16,110,602	-	16,110,602
Payable to the Trustee	151,382	-	151,382
Payable against purchase of investments	3,381,415	-	3,381,415
Accrued and other liabilities	3,808,742	-	3,808,742
	<u>23,452,141</u>	<u>-</u>	<u>23,452,141</u>
Particulars	2019		
	At amortised Cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	48,913,003	-	48,913,003
Investments	-	935,693,050	935,693,050
Dividend and mark-up receivable	1,480,125	-	1,480,125
Deposits	2,705,012	-	2,705,012
Receivable against sale of investments	71,321,527	-	71,321,527
	<u>124,419,667</u>	<u>935,693,050</u>	<u>1,060,112,717</u>

Particulars	2019		
	At amortised Cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	13,001,748	-	13,001,748
Payable to the Trustee	199,323	-	199,323
Payable against purchase of investments	-	-	-
Accrued and other liabilities	3,906,084	-	3,906,084
	<u>17,107,155</u>	<u>-</u>	<u>17,107,155</u>

20 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	Note	2020	2019
		----- (Rupees) -----	
Variable rate instrument (financial asset)			
Bank balance	4	<u>42,889,170</u>	<u>48,913,003</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement by Rs 0.01 million (2019: Rs 0.01 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at the reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2020					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.5% to 14.35%	42,889,170	-	-	20,000	42,909,170
Investments		-	-	-	864,366,899	864,366,899
Dividend and mark-up receivable		-	-	-	1,244,391	1,244,391
Deposits		-	-	-	2,700,000	2,700,000
Receivable against sale of investments		-	-	-	-	-
Sub total		<u>42,889,170</u>	<u>-</u>	<u>-</u>	<u>868,331,290</u>	<u>911,220,460</u>
Financial liabilities						
Payable to the Management Company		-	-	-	16,110,602	16,110,602
Payable to the Trustee		-	-	-	151,382	151,382
Payable against purchase of investments		-	-	-	3,381,415	3,381,415
Accrued and other liabilities		-	-	-	3,808,742	3,808,742
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>23,452,141</u>	<u>23,452,141</u>
On-balance sheet gap		<u>42,889,170</u>	<u>-</u>	<u>-</u>	<u>844,879,149</u>	<u>887,768,319</u>
Total interest rate sensitivity gap		<u>42,889,170</u>	<u>-</u>	<u>-</u>	<u>844,879,149</u>	<u>887,768,319</u>
Cumulative interest rate sensitivity gap		<u>42,889,170</u>	<u>42,889,170</u>	<u>42,889,170</u>		

Particulars	2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.8% to 13.15%	48,913,003	-	-	-	48,913,003
Investments		-	-	-	935,693,050	935,693,050
Dividend and mark-up receivable		-	-	-	1,480,125	1,480,125
Deposits		-	-	-	2,705,012	2,705,012
Receivable against sale of investments		-	-	-	71,321,527	71,321,527
Sub total		<u>48,913,003</u>	<u>-</u>	<u>-</u>	<u>1,011,199,714</u>	<u>1,060,112,717</u>
Financial liabilities						
Payable to the Management Company		-	-	-	13,001,748	13,001,748
Payable to the Trustee		-	-	-	199,323	199,323
Payable against purchase of investments		-	-	-	-	-
Accrued and other liabilities		-	-	-	3,906,084	3,906,084
Sub Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>17,107,155</u>	<u>17,107,155</u>
On-balance sheet gap		<u>48,913,003</u>	<u>-</u>	<u>-</u>	<u>994,092,559</u>	<u>1,043,005,562</u>
Total interest rate sensitivity gap		<u>48,913,003</u>	<u>-</u>	<u>-</u>	<u>994,092,559</u>	<u>1,043,005,562</u>
Cumulative interest rate sensitivity gap		<u>48,913,003</u>	<u>48,913,003</u>	<u>48,913,003</u>		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2020. The analysis is based on the assumption that the PSX index had increased or decreased by 1%, with all other variables held constant.

At June 30, 2020, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2020	2019
	-----Rupees-----	
Effect due to increase / decrease in KSE 100 index		
Investment and net assets	8,643,669	9,356,931
Income statement	<u>8,643,669</u>	<u>9,356,931</u>

20.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, dividend and mark-up receivable and deposits.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	42,909,170	42,909,170	48,913,003	48,913,003
Investments	864,366,899	-	935,693,050	-
Dividend and mark-up receivable	1,244,391	1,244,391	1,480,125	1,480,125
Deposits	2,700,000	2,700,000	2,705,012	2,705,012
Receivable against sale of investment	-	-	71,321,527	71,321,527
	<u>911,220,460</u>	<u>46,853,561</u>	<u>1,060,112,717</u>	<u>124,419,667</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 864.367 million (2019: Rs 935.693 million) are not exposed to credit risk.

Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent systematic measures taken therein.

No financial assets were considered to be either past due or impaired as at June 30, 2020 and June 30, 2019.

20.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Name of bank	Rating (Short Term / Long Term)	Rating Agency	2020	2019
Bank Alfalah Limited	A1+ / AA+	PACRA	94.01%	94.20%
Allied Bank Limited	A1+ / AAA	PACRA	1.18%	0.47%
JS Bank Limited	A1+ / AA-	PACRA	0.08%	0.62%
Zarai Taraqiati Bank Limited	A-1+ / AAA	VIS	0.02%	0.26%
MCB Bank Limited	A1+ / AAA	PACRA	0.59%	0.00%
Silk Bank Limited	A-2 / A-	VIS	0.02%	0.00%
Central Depository Company of Pakistan Limited	N/A	N/A	0.00%	0.00%
National Bank of Pakistan	A-1+ / AAA	PACRA	4.09%	3.43%
Soneri Bank Limited	A1+ / AA-	PACRA	0.01%	1.02%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

20.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	42,909,170	-	-	-	42,909,170
Investments	864,366,899	-	-	-	864,366,899
Dividend and mark-up receivable	1,244,391	-	-	-	1,244,391
Deposits	2,700,000	-	-	-	2,700,000
Receivable against sale of investments	-	-	-	-	-
	911,220,460	-	-	-	911,220,460
Financial liabilities					
Payable to the Management Company	16,110,602	-	-	-	16,110,602
Payable to the Trustee	151,382	-	-	-	151,382
Payable against purchase of investments	3,381,415	-	-	-	3,381,415
Accrued and other liabilities	3,808,742	-	-	-	3,808,742
	23,452,141	-	-	-	23,452,141
Net assets	<u>887,768,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>887,768,319</u>

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	48,913,003	-	-	-	48,913,003
Investments	935,693,050	-	-	-	935,693,050
Dividend and mark-up receivable	1,480,125	-	-	-	1,480,125
Deposits	2,705,012	-	-	-	2,705,012
Receivable against sale of investments	71,321,527	-	-	-	71,321,527
	1,060,112,717	-	-	-	1,060,112,717
Financial liabilities					
Payable to the Management Company	13,001,748	-	-	-	13,001,748
Payable to the Trustee	199,323	-	-	-	199,323
Payable against purchase of investments	-	-	-	-	-
Accrued and other liabilities	3,906,084	-	-	-	3,906,084
	17,107,155	-	-	-	17,107,155
Net assets	1,043,005,562	-	-	-	1,043,005,562

20.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2020 and June 30, 2019, the Fund held the following assets measured at fair values:

2020			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets 'at fair value through profit or loss'

Listed equity securities	864,366,899	-	-	864,366,899
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2019			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

Financial assets 'at fair value through profit or loss'

Listed equity securities	935,693,050	-	-	935,693,050
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During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

20.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

21 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to the financial statements.

22 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

23 GENERAL

23.1 Rounding off

Figures are rounded off to the nearest rupee.

23.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The SECP has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

23.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

24 DATE OF AUTHORISATION FOR ISSUE

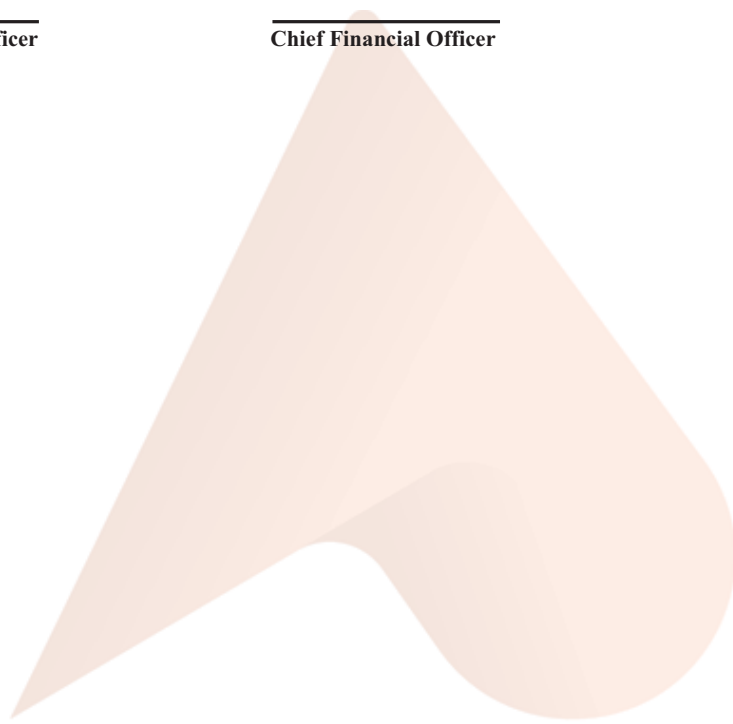
These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	114	3,190,115	170,783,273	20%
Insurance Co.	1	288,441	15,450,000	2%
Retirement & Other Funds	12	10,699,218	572,940,000	65%
Others	8	2,157,166	115,510,085	13%
	135	16,334,940	874,683,358	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	132	5,702,907	316,055,131	16%
Insurance Co.	1	288,441	15,985,409	3%
Retirement & Other Funds	11	10,767,241	596,720,485	64%
Others	8	1,802,274	99,881,135	17%
	152	18,560,863	1,028,642,159	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Next Capital Limited	14.98%
Alfalah Securities (Private) Limited	9.18%
Al Habib Capital Markets Limited	8.53%
Inter Market Securities Limited	8.51%
Shajar Capital Pakistan Private Limited	7.77%
Foundation Securities Limited	6.48%
Topline Securities (Pvt) Limited	5.06%
EFG Hermes Pakistan Limited	4.34%
BMA Capital Management Limited	4.19%
Taurus Securities Limited	3.90%
	30 June 2019
	%
Next Capital Limited	9.14%
Inter Market Securities Limited	8.98%
Alfalah Securities (Private) Limited	8.58%
Al Habib Capital Markets Limited	6.56%
IGI Finex Securities Limited	6.37%
Shajar Capital Pakistan Private Limited	5.95%
EFG Hermes Pakistan Limited	5.94%
Foundation Securities Limited	5.55%
Optimus Capital Management (Pvt) Limited	5.29%
AKD Securities Ltd.	4.70%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGAF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	(Rupees in '000)				
Net Assets	874,683	1,028,642	1,891,847	1,493,187	1,025,487
NAV per unit	53.55	55.42	72.52	84.50	67.7915
Selling price per unit	55.37	57.30	74.98	87.36	70.48
Redemption price per unit	53.55	55.42	72.52	84.50	67.7915
Highest selling price per unit	73.02	72.68	87.56	101.42	80.83
Highest redemption price per unit	70.63	70.30	84.69	98.09	77.75
Lowest selling price per unit	43.73	56.47	70.05	70.82	66.75
Lowest redemption price per unit	42.30	54.62	67.75	68.50	64.20
Total interim distribution per unit	Nil	Nil	Nil	2.9418	7.63
Interim distribution date	N/A	N/A	N/A	22-Jun-17	29-Jun-16
	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-17.50%	-17.48%	-14.18%	24.65%	14.12%
Income distribution	N/A	N/A	N/A	4.34%	11.51%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **14.20%**

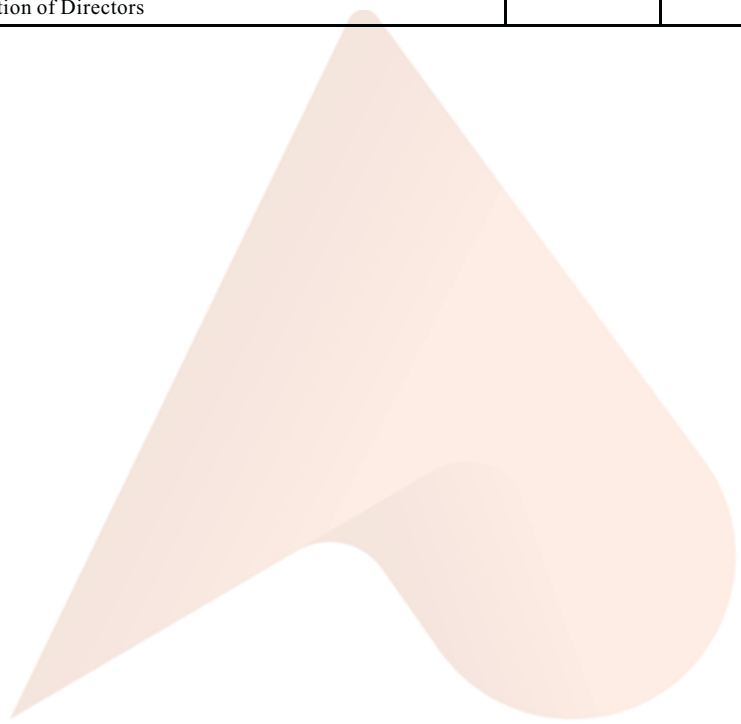
The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by
Alfalah GHP Alpha Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	% age Holding	Favour	Against	Abstain
-------------------	--------------	-------------	---------	---------------	--------	---------	---------

Engro Polymer & Chemicals Limited							
EOGM	3-Feb-20	Approval of Annual Accounts of the Company	695,500	0.08%	P		
		Declaration of Dividend					

Sui Northern Gas Pipelines Limited							
EOGM	2-Jun-20	Confirm Minutes of previous AGM	201,500	0.03%	P		
		Election of Directors					





**Alfalah
GHP Stock Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Stock Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Stock Scheme

Investment Objective

The investment objective of IGI Stock Fund (IGI SF) is to seek long-term capital growth by investing primarily in a diversified pool of equities and equity related instruments, management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Review of the Market

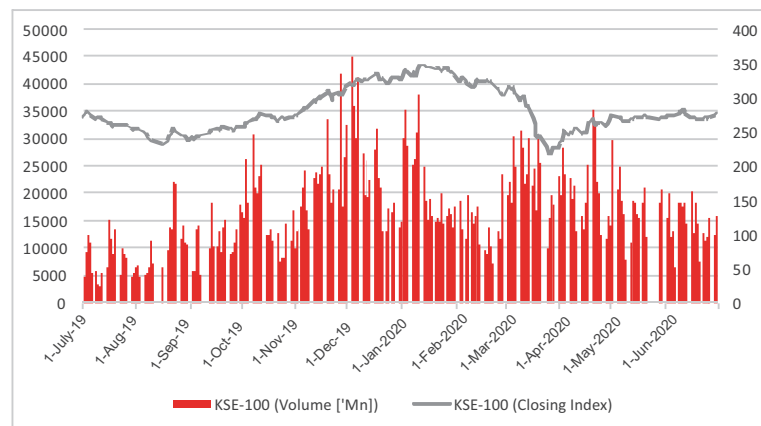
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

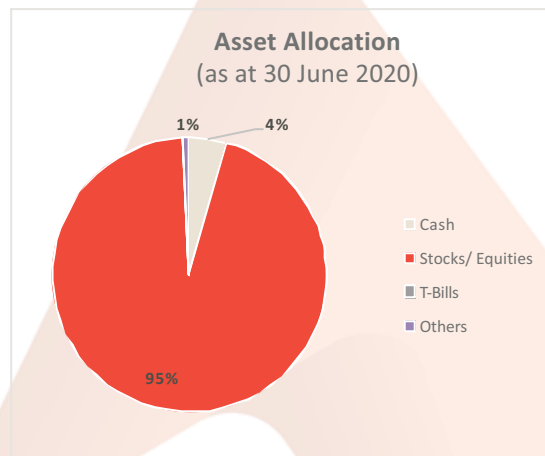
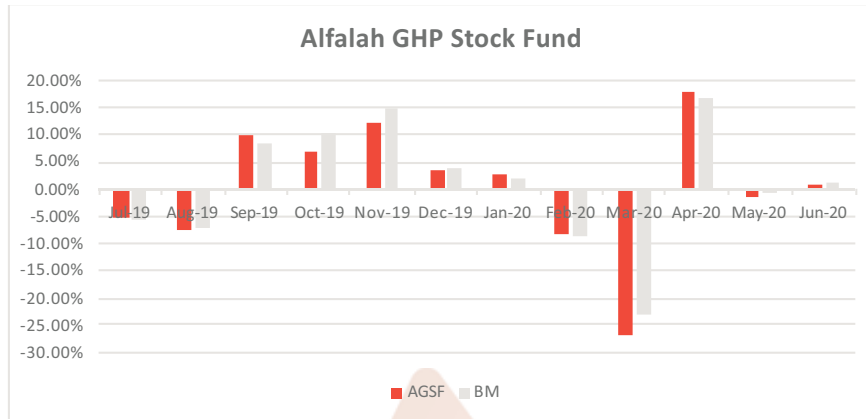
Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.



Fund Performance

During FY20, AGSF earned a return of -3.74 % versus the benchmark (KSE-100) return 1.53% during the same period.

The fund maintained average equity exposure more than 90% through the period. The fund remained invested in index heavy sectors (Banking and E&P) as they presented attractive valuation.



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Stock Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 864.37 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES

As AT JUNE 30, 2020

	2020	2019
Note	(Rupees)	
Assets		
Bank balances	4 64,380,987	166,586,651
Investments	5 1,296,831,515	1,376,793,961
Security deposits	6 2,600,000	2,600,000
Dividend, profit and other receivables	7 1,437,846	16,161,415
Receivable against sale of investments - net	8 -	4,149,878
Total assets	<u>1,365,250,348</u>	<u>1,566,291,905</u>
Liabilities		
Payable to the Management Company	9 24,529,642	21,018,933
Payable to the Trustee	10 199,264	224,886
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11 278,814	2,112,568
Payable against purchase of investments - net	12 4,752,053	-
Accrued expenses and other liabilities	13 21,872,228	20,622,222
Total liabilities	<u>51,632,001</u>	<u>43,978,609</u>
Net assets attributable to unit holders	<u>1,313,618,347</u>	<u>1,522,313,296</u>
Unit holders' fund (as per the statement attached)	<u>1,313,618,347</u>	<u>1,522,313,296</u>
Contingencies and commitments	14	
	----- (Number of units) -----	
Number of units in issue	<u>13,878,371</u>	<u>15,482,005</u>
	----- (Rupees) -----	
Net asset value per unit	<u>94.6522</u>	<u>98.3279</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
Note	(Rupees)	
Income		
Profit / mark-up income	15	13,022,979
Loss on sale of investments - net	(84,955,391)	(205,660,317)
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	(94,994,362)
Dividend income from listed equity securities	72,695,090	113,410,758
Total loss	<u>(94,231,684)</u>	<u>(312,442,240)</u>
Expenses		
Remuneration of the Management Company	9.1	27,579,303
Sindh sales tax on remuneration of the Management Company	9.2	3,606,220
Allocated expenses	9.3	1,388,863
Selling and marketing expenses	9.4	10,602,236
Remuneration of the Trustee	10.1	2,393,138
Sindh sales tax on remuneration of the Trustee	10.2	290,196
Annual fee to the Securities and Exchange Commission of Pakistan	11	278,814
Brokerage expense and capital value tax		7,157,028
Bank and settlement charges		42,328
CDS charges		243,010
Auditors' remuneration	16	801,115
Fees and subscriptions		27,450
Clearing charges		1,071,470
Printing charges		5,012
Total expenses		<u>55,486,183</u>
Net loss for the year before taxation		<u>(149,717,867)</u>
Taxation	17	-
Net loss for the year after taxation		<u>(149,717,867)</u>
Allocation of net income for the year		
Net income for the period after taxation		-
Income already paid on units redeemed		-
Accounting income available for distribution		<u>-</u>
- Relating to capital gains		-
- Excluding capital gains		-
		<u>-</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net loss for the year after taxation	(149,717,867)	(386,545,877)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(149,717,867)</u>	<u>(386,545,877)</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital value	Accumulated loss	Total	Capital value	Undistributed income / (Accumulated loss)	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	1,793,293,428	(270,980,132)	1,522,313,296	2,027,645,920	386,073,460	2,413,719,380
Issuance of 15,497,112 units (2019: 8,422,197 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,667,485,432	-	1,667,485,432	2,295,570,736	-	2,295,570,736
- Element of loss	-	-	-	(1,279,697,749)	-	(1,279,697,749)
	1,667,485,432	-	1,667,485,432	1,015,872,987	-	1,015,872,987
Redemption of 17,100,746 units (2019: 10,958,818 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,726,462,514	-	1,726,462,514	2,189,507,566	-	2,189,507,566
- Element of income	-	-	-	(939,282,087)	-	(939,282,087)
	1,726,462,514	-	1,726,462,514	1,250,225,479	-	1,250,225,479
Total comprehensive loss for the year	-	(149,717,867)	(149,717,867)	-	(386,545,877)	(386,545,877)
Bonus distribution for the year ended June 30, 2018 @ Rs.14.9984 per unit on July 02, 2018	-	-	-	-	(270,507,715)	(270,507,715)
Net assets at the end of the year	1,734,316,346	(420,697,999)	1,313,618,347	1,793,293,428	(270,980,132)	1,522,313,296
	(Rupees)			(Rupees)		
(Accumulated loss) / Undistributed income brought forward						
- Realised (loss) / income		(31,687,868)			507,488,609	
- Unrealised loss		(239,292,264)			(121,415,149)	
		(270,980,132)			386,073,460	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the year after taxation		(149,717,867)			(386,545,877)	
Bonus distribution for the year ended June 30, 2018 @ Rs.14.9984 per unit on July 02, 2018		-			(270,507,715)	
Accumulated loss carried forward		(420,697,999)			(270,980,132)	
Accumulated loss carried forward						
- Realised loss		(325,703,637)			(31,687,868)	
- Unrealised loss		(94,994,362)			(239,292,264)	
		(420,697,999)			(270,980,132)	
Net assets value per unit at the beginning of the year		98.3279			133.9569	
Net assets value per unit at the end of the year		94.6522			98.3279	

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(149,717,867)	(386,545,877)
Adjustments for:		
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	94,994,362	239,292,264
	(54,723,505)	(147,253,613)
Decrease / (increase) in assets		
Investments - net	(15,031,916)	736,058,070
Receivable against sale of investments - net	4,149,878	593,487
Dividend and other receivables	14,723,569	(10,353,827)
	3,841,531	726,297,730
(Decrease) / increase in liabilities		
Payable to the Management Company	3,510,709	(5,150,820)
Payable to the Trustee	(25,622)	(86,424)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(1,833,754)	(417,817)
Payable against purchase of investments	4,752,053	-
Accrued expenses and other liabilities	1,250,006	(1,271,266)
	7,653,392	(6,926,327)
Net cash flows (used in) / generated from operating activities	(43,228,582)	572,117,790
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	1,667,485,432	745,365,272
Amount paid against redemption of units	(1,726,462,514)	(1,250,225,479)
Net cash flows used in financing activities	(58,977,082)	(504,860,207)
Net (decrease) / increase in cash and cash equivalents during the year	(102,205,664)	67,257,583
Cash and cash equivalents at the beginning of the year	166,586,651	99,329,068
Cash and cash equivalents at the end of the year	4 64,380,987	166,586,651

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Stock Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the repealed Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited to Alfalah GHP Investment Management Limited (the Management Company) by means of Securities and Exchange Commission of Pakistan sanctioned order No. SCD/NBFC-II/IGIFL & AFGHP/742/2013. The SECP has approved Second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Stock Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as an 'equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its assets in debt and money market securities in order to meet liquidity requirements from time to time. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 09, 2019.

Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments

IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow :

- Classification and valuation of investments (note 3.3.1 and 5)
- Impairment of financial assets (note 3.3.2)
- Taxation (notes 3.7 and 17)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments held at 'fair value through profit or loss' category which are measured at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.1.2 Debt instruments

"IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:"

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.2 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.3.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the income statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015, is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement, on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank deposits and government securities is recognised on time proportion basis using effective interest method.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Loss per unit

Loss per unit (LPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating LPU is not practicable.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2020	2019
----- (Rupees) -----			
4 BANK BALANCES			
In saving accounts	4.1	64,380,987	166,586,651

4.1 The rate of return on these accounts ranges from 6.5% to 14.35% (2019: 6.8% to 13.15%) per annum. It includes bank balance of Rs. 58.79 million (2019: Rs. 102.334 million) maintained with Bank Alfalah Limited (a related party).

	Note	2020	2019
----- (Rupees) -----			
5 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	5.1	1,296,831,515	1,376,793,961
		<u>1,296,831,515</u>	<u>1,376,793,961</u>

5.1 Investment in listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	Note	As at July 01, 2019	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the Fund	Total market value of investments	
						----- (Rupees) -----			----- (%) -----			
Commercial banks												
Bank Alfalah Limited (a related party)		2,157,600	1,204,500	-	2,619,376	742,724	32,930,589	24,933,245	(7,997,344)	1.90%	1.92%	0.04%
Allied Bank Limited		220,500	139,800	-	210,000	150,300	12,779,910	11,509,974	(1,269,936)	0.88%	0.89%	0.01%
Bank AL Habib Limited		546,500	794,000	-	876,509	463,991	34,066,937	24,266,729	(9,800,208)	1.85%	1.87%	0.04%
Bank of Punjab		3,334,000	4,817,500	-	4,129,500	4,022,000	39,348,877	33,784,800	(5,564,077)	2.57%	2.61%	0.15%
Habib Bank Limited		508,400	1,092,700	-	896,200	704,900	91,945,333	68,283,663	(23,661,670)	5.20%	5.27%	0.05%
MCB Bank Limited		335,100	461,000	-	400,700	395,400	72,088,110	64,082,478	(8,005,632)	4.88%	4.94%	0.03%
Meezan Bank Limited		493,860	373,500	-	769,500	97,860	8,295,519	6,737,661	(1,557,858)	0.51%	0.52%	7.61%
Faysal Bank Limited	5.1.1	10,200	246,000	-	-	256,200	3,527,389	3,568,866	41,477	0.27%	0.28%	0.02%
United Bank Limited		464,300	900,795	-	714,900	650,195	90,865,079	67,204,155	(23,660,924)	5.12%	5.18%	0.05%
National Bank of Pakistan		-	851,000	-	565,000	286,000	11,475,062	7,907,900	(3,567,162)	0.60%	0.61%	0.00%
							<u>397,322,805</u>	<u>312,279,471</u>	<u>(85,043,334)</u>	<u>23.78%</u>	<u>24.09%</u>	
Power generation and distribution												
The Hub Power Company Limited		1,374,343	1,230,559	-	1,389,500	1,215,402	102,894,412	88,116,645	(14,777,767)	6.71%	6.79%	0.09%
K-Electric Limited		-	1,940,000	-	678,000	1,262,000	5,405,233	3,798,620	(1,606,613)	0.29%	0.29%	0.01%
Kot Addu Power Company Limited		1,291,000	1,203,000	-	2,473,500	20,500	692,603	413,075	(279,528)	0.03%	0.03%	0.00%
							<u>108,992,248</u>	<u>92,328,340</u>	<u>(16,663,908)</u>	<u>7.03%</u>	<u>7.11%</u>	
Oil & Gas Marketing Companies												
Hascol Petroleum Limited	5.1.1	10,642	859,480	-	253,500	616,622	9,044,332	8,386,059	(658,273)	0.64%	0.65%	0.31%
Pakistan State Oil Company Limited	5.1.1	180,480	305,333	21,296	337,201	169,908	28,324,811	26,872,649	(1,452,162)	2.05%	2.07%	0.04%
Sui Northern Gas Pipelines Limited		286,900	553,000	-	533,500	306,400	20,179,829	16,729,440	(3,450,389)	1.27%	1.29%	0.03%
							<u>57,548,972</u>	<u>51,988,148</u>	<u>(5,560,824)</u>	<u>3.96%</u>	<u>4.01%</u>	
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited		88,212	65,790	6,817	99,800	61,019	63,341,922	75,459,146	12,117,224	5.74%	5.82%	0.05%
Oil & Gas Development Company Limited		696,600	1,051,800	-	1,129,500	618,900	74,409,170	67,460,100	(6,949,070)	5.14%	5.20%	0.01%
Pakistan Oilfields Limited		103,130	127,120	-	158,400	71,850	28,869,152	25,192,766	(3,676,386)	1.92%	1.94%	0.03%
Pakistan Petroleum Limited		606,055	1,045,930	124,431	1,143,900	632,516	68,078,537	54,889,738	(13,188,799)	4.18%	4.23%	0.03%
							<u>234,698,781</u>	<u>223,001,750</u>	<u>(11,697,031)</u>	<u>16.98%</u>	<u>17.19%</u>	
Chemical												
Biafo Industries Limited	5.1.1	288	-	91	-	379	46,224	54,470	8,246	0.00%	0.00%	0.00%
Descon Oxychem Limited		-	290,500	-	45,000	245,500	5,708,189	7,328,175	1,619,986	0.56%	0.57%	0.22%
Ittehad Chemicals Limited		-	264,000	-	5,000	259,000	5,386,910	6,824,650	1,437,740	0.52%	0.53%	0.34%
Lotte Chemical Pakistan Limited		-	792,000	-	115,000	677,000	6,734,680	6,736,150	1,470	0.51%	0.52%	0.04%
Sitara Peroxide Limited		-	301,000	-	4,000	297,000	5,888,651	6,061,770	173,119	0.46%	0.47%	0.00%
Engro Polymer & Chemicals Limited	2,005,000	1,343,000	-	2,711,000	637,000	17,935,885	15,912,260	(2,023,625)	1.21%	1.23%	0.07%	
ICI Pakistan Limited		70	12,000	-	1,000	11,070	7,788,518	7,690,440	(98,078)	0.59%	0.59%	0.01%
							<u>49,489,057</u>	<u>50,607,915</u>	<u>1,118,858</u>	<u>3.85%</u>	<u>3.91%</u>	
Food and personal care products												
At - Tahir Limited		-	278,000	-	5,000	273,000	4,524,509	4,703,790	179,281	0.36%	0.36%	0.19%
Frieslandcampins Engro Foods Limited		-	59,500	-	-	59,500	3,366,060	4,373,845	1,007,785	0.33%	0.34%	7.76%
Fauji Foods Limited		-	692,500	-	60,000	632,500	5,844,591	5,977,125	132,534	0.46%	0.46%	0.12%
							<u>13,735,160</u>	<u>15,054,760</u>	<u>1,319,600</u>	<u>1.15%</u>	<u>1.16%</u>	

Name of the investee company	Note	As at July 01, 2019	Purchased during the period	Bonus / right shares received during the period	Sold during the period	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:		Holding as a percentage of paid-up capital of the investee company
							Carrying value	Market value	Unrealised gain / (loss)	Net assets of the fund	Total market value of investments	
						Number of shares			(Rupees)		(%)	
Cement												
Attock Cement Pakistan Limited		-	119,000	-	34,000	85,000	10,623,349	10,593,550	(29,799)	0.81%	0.82%	0.06%
Cherat Cement Company Limited		-	345,500	-	204,000	141,500	9,815,789	12,334,555	2,518,766	0.94%	0.95%	0.08%
D.G. Khan Cement Company Limited		-	1,008,000	-	771,000	237,000	18,658,952	20,223,210	1,564,258	1.54%	1.56%	0.05%
Kohat Cement Company Limited		69,200	180,500	-	156,500	93,200	10,407,009	12,810,340	2,403,331	0.98%	0.99%	0.05%
Fauji Cement Company Limited		-	440,000	-	431,000	9,000	165,368	151,920	(13,448)	0.01%	0.01%	0.00%
Lucky Cement Limited		67,600	287,800	-	223,200	132,200	57,278,977	61,020,876	3,741,899	4.65%	4.71%	0.04%
Pioneer Cement Limited		-	354,000	-	159,500	194,500	9,533,902	12,261,280	2,727,378	0.93%	0.95%	0.09%
Maple Leaf Cement Factory Limited		21,125	2,488,930	-	1,753,000	757,055	18,286,742	19,668,289	1,381,547	1.50%	1.52%	0.13%
							134,770,088	149,064,020	14,293,932	11.36%	11.51%	
Fertilizer												
Engro Corporation Limited		426,360	313,410	-	469,300	270,470	82,104,480	79,226,072	(2,878,408)	6.03%	6.11%	0.05%
Engro Fertilizers Limited		1,057,500	1,148,500	-	1,617,000	589,000	38,441,517	35,504,920	(2,936,597)	2.70%	2.74%	0.04%
Fauji Fertilizer Company Limited		754,000	726,500	-	1,035,000	445,500	42,945,938	49,000,545	6,054,607	3.73%	3.78%	0.04%
Fauji Fertilizer Bin Qasim Limited		-	256,000	-	40,000	216,000	3,059,135	3,447,360	388,225	0.26%	0.27%	0.02%
							166,551,070	167,178,897	627,827	12.72%	12.90%	
Inv.Banks / Inv. Cos. / Securities Cos.												
Dawood Hercules Corporation Limited		-	146,700	-	35,000	111,700	17,346,780	14,288,664	(3,058,116)	1.09%	1.10%	0.02%
							17,346,780	14,288,664	(3,058,116)	1.09%	1.10%	
Engineering												
International Industries Limited		40,000	313,200	7,750	288,400	72,550	7,379,863	6,655,012	(724,851)	0.51%	0.51%	0.06%
International Steels Limited		100	698,000	-	564,200	133,900	6,701,957	6,915,935	213,978	0.53%	0.53%	0.03%
Mughal Iron & Steel Industries Limited		10,000	626,000	-	266,500	369,500	15,551,423	14,735,660	(815,763)	1.12%	1.14%	0.15%
							29,633,243	28,306,607	(1,326,636)	2.16%	2.18%	
Textile composite												
Gul Ahmed Textile Mills Limited	5.1.1	480,054	504,100	91,910	512,000	564,064	22,950,017	16,149,152	(6,800,865)	1.23%	1.25%	0.16%
Nishat Mills Limited		317,300	356,000	-	421,000	252,300	22,581,103	19,681,923	(2,899,180)	1.50%	1.52%	0.07%
Kohinoor Textile Mills Limited		-	413,000	-	99,000	314,000	12,305,290	11,150,140	(1,155,150)	0.85%	0.86%	0.10%
Nishat Chunian Limited		213,500	328,500	-	542,000	-	-	-	-	-	-	-
Interloop Limited		310,250	304,628	-	405,500	209,378	10,197,579	9,195,882	(1,001,697)	0.70%	0.71%	0.02%
							68,033,989	56,177,097	(11,856,892)	4.28%	4.34%	
Pharmaceuticals												
AGP Limited		-	125,000	-	48,000	77,000	7,238,709	8,449,980	1,211,271	0.64%	0.65%	0.03%
GlaxoSmithKline Pakistan Limited (a related party)		-	45,800	-	9,000	36,800	5,813,150	6,406,144	592,994	0.49%	0.49%	0.01%
Hignoon Laboratories Limited		-	25,900	2,240	7,700	20,440	9,364,543	10,246,163	881,620	0.78%	0.79%	0.06%
Ferozsons Laboratory Limited		-	31,500	-	31,500	-	-	-	-	-	-	-
The Searle Company Limited	5.1.1	8,781	136,021	-	56,000	88,802	16,246,208	17,692,022	1,445,814	1.35%	1.36%	0.04%
							38,662,610	42,794,309	4,131,699	3.26%	3.29%	
Automobile assembler												
Indus Motor Company Limited		60	340	-	-	400	441,043	397,996	(43,047)	0.03%	0.03%	0.00%
Millat Tractors Limited		7,000	2,500	475	4,200	5,775	4,309,433	4,078,074	(231,359)	0.31%	0.31%	0.01%
Honda Atlas Cars (Pakistan) Limited		-	76,000	-	31,000	45,000	9,025,612	8,715,600	(310,012)	0.66%	0.67%	0.03%
							13,776,088	13,191,670	(584,418)	1.00%	1.01%	
Automobile parts & accessories												
Thal Limited		-	44,700	-	2,500	42,200	15,742,871	13,712,468	(2,030,403)	1.04%	1.06%	0.10%
							15,742,871	13,712,468	(2,030,403)	1.04%	1.06%	
Vanaspati & Allied Industries												
Unity Foods Limited		-	674,000	-	2,000	672,000	6,626,370	7,492,800	866,430	0.57%	0.58%	0.12%
							6,626,370	7,492,800	866,430	0.57%	0.58%	
Paper & Board												
Century Paper & Board Mills Limited		-	114,500	-	2,000	112,500	6,863,200	8,051,625	1,188,425	0.61%	0.62%	0.08%
							6,863,200	8,051,625	1,188,425	0.61%	0.62%	
Transport												
Pakistan National Shipping Corporation		-	65,000	-	-	65,000	5,023,945	4,911,400	(112,545)	0.37%	0.38%	0.05%
							5,023,945	4,911,400	(112,545)	0.37%	0.38%	
Technology & Communication												
Systems Limited		280,220	248,500	-	279,300	249,420	26,706,816	45,813,466	19,106,650	3.49%	3.53%	0.20%
							26,706,816	45,813,466	19,106,650	3.49%	3.53%	
Miscellaneous												
Synthetic Products Enterprises Limited	5.1.1	13,600	-	544	-	14,144	301,784	588,108	286,324	0.04%	0.05%	0.02%
							301,784	588,108	286,324	0.04%	0.05%	
As at June 30, 2020							1,391,825,877	1,296,831,515	(94,994,362)			
As at June 30, 2019							1,616,086,225	1,376,793,961	(239,292,264)			

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2020, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of investee Company	2020		2019	
	Bonus Shares			
	Number	Market value	Number	Market value
Hascol Petroleum Limited	6,789	92,330	6,789	465,861
Gul Ahmed Textile Mills Limited	1,876	53,698	1,563	73,649
The Searle Company Limited	8,248	1,643,249	8,248	1,208,827
Synthetic Products Enterprises Limited	1,905	79,210	1,905	42,272
Biafo Industries Limited	234	33,579	177	28,409
Pakistan State Oil Company Limited	3,038	480,553	2,532	429,503
Faysal Bank Limited	6,360	88,595	6,360	136,867
	<u>28,450</u>	<u>2,471,214</u>	<u>27,574</u>	<u>2,385,388</u>

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs. 48.416 million (June 30, 2019: Rs. 54.235 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee company	2020		2019	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Oil & Gas Development Company Limited	60,000	6,540,000	60,000	7,889,400
Nishat Mills Limited	100,000	7,801,000	100,000	9,334,000
The Hub Power Company Limited	470,000	34,075,000	470,000	37,012,500
	<u>630,000</u>	<u>48,416,000</u>	<u>630,000</u>	<u>54,235,900</u>

5.2 Market Treasury Bills

Particulars	Face Value			As at June 30, 2020		Market value as a percentage of		
	As at July 01, 2019	Purchased during the year	Disposed / matured during the year	As at June 30, 2020	Carrying value	Market value	Net assets of the fund	Total market value of investments
Market Treasury Bills - 3 months	-	143,000,000	143,000,000	-	-	-	-	-
Total as at June 30, 2019	<u>-</u>	<u>180,000,000</u>	<u>180,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Note	2020	2019
		----- (Rupees) -----	
5.3 Unrealised loss on revaluation of investments classified as at fair value through profit or loss' - net			
Market value of investments	5.1	1,296,831,515	1,376,793,961
Less: Carrying value of investments	5.1	<u>(1,391,825,877)</u>	<u>(1,616,086,225)</u>
		<u>(94,994,362)</u>	<u>(239,292,264)</u>
6 SECURITY DEPOSITS			
National Clearing Company Pakistan Limited (NCCPL)		2,500,000	2,500,000
Central Depository Company of Pakistan Limited (CDC)		<u>100,000</u>	<u>100,000</u>
		<u>2,600,000</u>	<u>2,600,000</u>
7 DIVIDEND, PROFIT AND OTHER RECEIVABLES			
Dividend receivable		223,396	12,667,096
Profit receivable on bank balances	7.1	920,622	3,153,088
Advance tax	7.2	293,828	293,828
Other assets		-	47,403
		<u>1,437,846</u>	<u>16,161,415</u>

7.1 This includes accrued markup of Rs Nil (2019: Rs 1,049,015) receivable from Bank Alfalah Limited (a related party).

7.2 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2019, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends amounts to Rs 0.294 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on debt has been shown as other receivables as at June 30, 2019 as in the opinion of the management, the amount of tax deducted at source will be refunded.

8 RECEIVABLE AGAINST SALE OF INVESTMENTS - NET

This represents net receivable from sale of investments amounting to Rs Nil (2019: Rs 4.15 million) which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange Regulations. These amounts have been received subsequent to the year end.

	Note	2020	2019
		----- (Rupees) -----	
9 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	9.1	1,867,040	2,633,510
Sindh sales tax payable on management remuneration	9.2	1,673,438	1,773,082
Payable against allocated expenses	9.3	602,995	831,795
Payable against selling and marketing expenses	9.4	6,972,772	3,879,187
Federal excise duty payable on management remuneration	9.5	10,130,264	10,130,262
Sales load payable		3,283,133	2,942,709
		<u>24,529,642</u>	<u>22,190,545</u>

9.1 The Management Company has charged remuneration at a rate of 2% of average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 During the year, an amount of Rs. 3.606 million (2019: Rs. 5.781 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 3.705 million (2019: Rs. 5.980 million) has been paid to the Management Company which acts as a collecting agent.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1% percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 9.4 The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

- 9.5 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2020 aggregates to Rs 10.13 million (2019: Rs 10.13 million). Had the provision for FED not been recorded in the financial statements of the Fund, the Net Asset Value of the Fund as at June 30, 2020 would have been higher by Rs 0.73 (2019: Rs 0.65) per unit.

10 PAYABLE TO THE TRUSTEE	Note	2020	2019
		----- (Rupees) -----	
Trustee remuneration payable	10.1	166,642	189,319
Sindh sales tax payable on trustee remuneration	10.2	32,622	35,567
		199,264	224,886

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Existing Tariff for the year ended June 30, 2019		Revised Tariff for the year ended June 30, 2020
Net Assets (Rs.)	Fee	
up to Rs. 1 billion	Rs 0.7 million or 0.20% p.a. of net assets whichever is higher	0.20% p.a. of net assets
Over Rs.1 billion	Rs 2.0 million plus 0.10% p.a. of net assets exceeding one billion	Rs 2.0 million plus 0.10% p.a. of net assets exceeding Rs one billion

- 10.2 During the year, an amount of Rs 0.29 million (2019: Rs. 0.419 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.293 million (2019: Rs. 0.429 million) was paid to the Trustee which acts as a collecting agent.

11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to Stock Fund was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current year.

12 PAYABLE AGAINST PURCHASE OF INVESTMENTS - NET

This represents net payable against purchase of investments amounting to Rs 4.75 million (2019: Nil) which requires delivery and settlement of securities within two days after transaction date as required by Pakistan Stock Exchange Regulations. These amounts have been paid subsequent to the year end.

	Note	2020	2019
		----- (Rupees) -----	
13 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	13.1	17,625,220	17,625,220
Brokerage expense payable		2,390,673	777,335
Auditors' remuneration payable		770,456	609,146
Annual rating fee payable		185,814	185,630
Clearing charges payable		91,143	22,288
Printing charges payable		39,421	38,748
Capital gain tax payable		10,107	182,185
Listing Fee Payable		5,266	-
Withholding tax payable		754,128	10,058
		<u>21,872,228</u>	<u>19,450,610</u>

- 13.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.5 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. However, as a matter of abundant caution, MUFAP has recommended to all its members to record a provision of Sindh WWF from the date of enactment of Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of the Fund as at June 30, 2020 would have been higher by Rs 1.27 (2019: Rs 1.14) per unit.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2020 and June 30, 2019.

15 PROFIT / MARK-UP INCOME

	2020	2019
	----- (Rupees) -----	
Profit / mark-up income on:		
- Market Treasury Bills	1,902,848	1,200,997
- Bank balances	11,120,131	17,898,586
	<u>13,022,979</u>	<u>19,099,583</u>

16 AUDITORS' REMUNERATION

Audit fee	381,024	380,000
Review and other certifications	300,808	300,000
Out of pocket expenses	59,942	59,781
Sindh sales tax	59,341	59,182
	<u>801,115</u>	<u>798,963</u>

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

18 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 3.69% (June 30, 2019: 3.33%) which includes 0.30% (June 30, 2019: 0.41%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

19.1 Unit Holders' Fund

June 30, 2020										
As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020	
Units					(Rupees)					
Associated companies / undertakings										
Alfalah Insurance Company Limited	479,903	-	-	479,903	47,187,854	-	-	-	45,423,875	
Alfalah GHP Prosperity Planning Fund Conservative Plan	-	256,316	-	128,172	128,144	-	26,400,000	-	12,610,932	12,129,111
Alfalah GHP Prosperity Planning Fund Moderate Allocation Plan	230,406	251,026	-	228,442	252,990	22,655,338	25,350,000	-	22,300,000	23,946,107
Alfalah GHP Prosperity Planning Fund Active Allocation Plan	100,049	769,465	-	315,729	553,785	9,837,608	80,050,000	-	31,042,404	52,416,874
Key management personnel (Employees)										
Chief Executive Officer	-	51	-	-	51	-	4,738	-	-	4,827
Head of Coporate Sales	642	-	-	-	642	63,127	-	-	-	60,767
Fund Manager -VP	2,757	-	-	2,757	-	271,090	-	-	273,807	-
Chief operating officer and company secretary	10,939	-	-	10,939	-	1,075,609	-	-	1,087,605	-
Unit holder holding 10% or more units										
The Nishat Mills Limited Employees Provident Fund Trust	3,584,646	-	-	-	3,584,646	352,470,713	-	-	-	339,294,630
Sindh Province Pension Fund	1,646,878	686,569	-	-	2,333,447	161,934,055	75,000,000	-	-	220,865,892

June 30, 2019										
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	
Units					(Rupees)					
Associated companies / undertakings										
Alfalah Insurance Company Limited	479,903	-	-	-	479,903	64,286,318	-	-	-	47,187,854
Alfalah GHP Prosperity Planning Fund Conservative Plan	200,559	40,801	25,287	266,647	-	26,866,262	4,600,000	3,008,078	28,800,556	-
Alfalah GHP Prosperity Planning Fund Moderate Allocation Plan	731,562	79,845	92,236	673,237	230,406	97,997,778	9,000,000	10,972,262	73,000,310	22,655,338
Alfalah GHP Prosperity Planning Fund Active Allocation Plan	1,018,853	-	128,458	1,047,262	100,049	136,482,389	-	15,281,166	114,023,289	9,837,608

June 30, 2019									
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019
Units					(Rupees)				

Key management personnel (Employees)

Chief Executive Officer	28,546	-	3,600	32,146	-	3,823,934	-	428,160	3,680,857	-
Head of Corporate Sales	-	570	72	-	642	-	-	8,544	-	63,127
Fund Manager -VP	-	4,033	509	1,785	2,757	-	-	60,493	200,000	271,090
Chief operating officer and company secretary	10,111	999	1,275	1,446	10,939	1,354,438	112,294	151,650	160,000	1,075,609
Head of Human Resource	610	-	77	-	687	81,714	-	9,163	-	67,551
Head of Marketing	2,948	-	-	2,948	-	394,905	-	-	394,905	-
Chief Financial officer	97	-	12	109	-	12,994	-	1,449	13,132	-

Unit holder holding 10% or more units

The Nishat Mills Limited Employees Provident Fund Trust	4,425,170	-	557,930	1,398,454	3,584,646	592,782,055	-	66,370,465	160,000,000	352,470,713
Sindh Province Pension Fund	-	1,462,486	184,392	-	1,646,878	-	-	21,934,946	-	161,934,055

19.2 Other transactions

2020 2019

Associated companies / undertakings

(Rupees)

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	27,579,303	44,475,648
Sindh sales tax on remuneration of the Management Company	3,606,220	5,781,830
Allocated expenses	1,388,863	2,223,637
Selling and marketing expenses	10,602,236	8,894,555
Sales load	1,831,209	1,552,412

Bank Alfalah Limited

Profit on bank balances	7,980,477	3,771,908
Bank charges	29,800	31,411
Sales load	120,530	120,530

Alfalsh GHP Income Multiplier Fund

Market treasury Bills - sold	22,974,976	-
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Alfalsh GHP Income Sovereign Fund

Market treasury Bills - sold	48,639,350	-
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Alfalsh GHP Value Fund

Market treasury Bills - purchased	48,626,450	-
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Alfalsh GHP Income Fund

Market treasury Bills - purchased	53,489,095	-
Market treasury Bills - sold	34,271,335	-

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	2,393,138	3,223,792
Sindh sales tax on remuneration of the Trustee	290,196	419,096
CDS charges	243,010	478,134

	2020	2019
	----- (Rupees) -----	
19.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	1,867,040	2,633,510
Sindh sales tax payable on management remuneration	1,673,438	1,773,082
Payable against allocated expenses	602,995	831,795
Payable against selling and marketing expenses	6,972,772	3,879,187
Federal excise duty payable on management remuneration	10,130,264	10,130,262
Sales load payable	3,283,133	1,771,097
Bank Alfalah Limited		
Bank balance	63,534,269	102,333,995
Profit on bank balances	-	1,049,015
Other related parties		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	166,642	189,319
Sindh sales tax payable on trustee remuneration	32,622	35,567
Security deposit	100,000	100,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	64,380,987	-	64,380,987
Investments	-	1,296,831,515	1,296,831,515
Security deposits	2,600,000	-	2,600,000
Dividend and profit receivable	1,144,018	-	1,144,018
	<u>68,125,005</u>	<u>1,296,831,515</u>	<u>1,364,956,520</u>

Particulars	2020		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	24,529,642	24,529,642
Payable to the Trustee	-	199,264	199,264
Payable against purchase of investments - net	-	4,752,053	4,752,053
Accrued expenses and other liabilities	-	3,482,773	3,482,773
	<u>-</u>	<u>32,963,732</u>	<u>32,963,732</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	166,586,651	-	166,586,651
Investments	-	1,376,793,961	1,376,793,961
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	15,820,184	-	15,820,184
Receivable against sale of investments - net	4,149,878	-	4,149,878
	<u>189,156,713</u>	<u>1,376,793,961</u>	<u>1,565,950,674</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	21,018,933	21,018,933
Payable to the Trustee	-	224,886	224,886
Accrued expenses and other liabilities	-	1,633,147	1,633,147
	<u>-</u>	<u>22,876,966</u>	<u>22,876,966</u>

21 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

21.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

Variable rate instrument (financial asset)	Note	2020	2019
		----- (Rupees) -----	
Bank balance	4	<u>64,380,987</u>	<u>166,586,651</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.181 million (2019: Rs 0.0315 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2020					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.5 to 8.5	64,380,987	-	-	-	64,380,987
Investments		-	-	-	1,296,831,515	1,296,831,515
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and profit receivable		-	-	-	1,144,018	1,144,018
Sub total		<u>64,380,987</u>	<u>-</u>	<u>-</u>	<u>1,300,575,533</u>	<u>1,364,956,520</u>

Particulars	2020					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
Financial liabilities						
Payable to the Management Company		-	-	-	24,529,642	24,529,642
Payable to the Trustee		-	-	-	199,264	199,264
Payable against purchase of investments - net		-	-	-	4,752,053	4,752,053
Accrued expenses and other liabilities		-	-	-	3,482,773	3,482,773
Sub total		-	-	-	32,963,732	32,963,732
On-balance sheet gap		64,380,987	-	-	1,267,611,801	1,331,992,788
Total interest rate sensitivity gap		64,380,987	-	-	1,267,611,801	1,331,992,788
Cumulative interest rate sensitivity gap		64,380,987	64,380,987	64,380,987		

Particulars	2019					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.8 to 13.15	166,586,651	-	-	-	166,586,651
Investments		-	-	-	1,376,793,961	1,376,793,961
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	-	15,820,184	15,820,184
Receivable against sale of investments - net		-	-	-	4,149,878	4,149,878
Sub total		166,586,651	-	-	1,399,364,023	1,565,950,674
Financial liabilities						
Payable to the Management Company		-	-	-	21,018,933	21,018,933
Payable to the Trustee		-	-	-	224,886	224,886
Accrued expenses and other liabilities		-	-	-	1,633,147	1,633,147
Sub total		-	-	-	22,876,966	22,876,966
On-balance sheet gap		166,586,651	-	-	1,376,487,057	1,543,073,708
Total interest rate sensitivity gap		166,586,651	-	-	1,376,487,057	1,543,073,708
Cumulative interest rate sensitivity gap		166,586,651	166,586,651	166,586,651		

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2020. The analysis is based on the assumption that PSX index increase and decreases by 1%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moved according to their historical correlation with index this represents managements' best estimate of a reasonable possible shift in the PSX index, having regards to the historical volatility of index of past three years.

At June 30, 2020, the fair value of equity securities exposed to price risk was disclosed in note 5.1.

	2020	2019
	----- (Rupees) -----	
Effect due to increase / decrease in KSE 100 index		
Investment and net assets	12,968,315	13,767,940
Income statement	<u>12,968,315</u>	<u>13,767,940</u>

21.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

21.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 is as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	64,380,987	64,380,987	166,586,651	166,586,651
Investments	1,296,831,515	-	1,376,793,961	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend and other receivables	1,144,018	1,144,018	15,820,184	15,820,184
Receivable against sales of investments - net	-	-	4,149,878	4,149,878
	<u>1,364,956,520</u>	<u>68,125,005</u>	<u>1,565,950,674</u>	<u>189,156,713</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 1,296.831 million (2019: Rs 1,376.793 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

21.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Rating	2020		2019	
	Rupees	%	Rupees	%
A1+	64,368,008	99.98	166,566,273	99.99
A- / A-2	10,000	0.02	10,000	0.01
A1+ / AA-	2,887	-	-	-
A1+ / AAA	-	-	9,859	-
Unrated	92	-	519	-
	<u>64,380,987</u>	<u>100</u>	<u>166,586,651</u>	<u>100</u>

Above rates are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

21.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with banks.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	64,380,987	-	-	-	64,380,987
Investments	1,296,831,515	-	-	-	1,296,831,515
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and profit receivable	1,144,018	-	-	-	1,144,018
	1,364,956,520	-	-	-	1,364,956,520
Financial liabilities					
Payable to the Management Company	24,529,642	-	-	-	24,529,642
Payable to the Trustee	199,264	-	-	-	199,264
Accrued and other liabilities	3,482,773	-	-	-	3,482,773
	28,211,679	-	-	-	28,211,679
Net assets	1,336,744,841	-	-	-	1,336,744,841
----- (Rupees) -----					
2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees) -----					
Financial assets					
Bank balances	166,586,651	-	-	-	166,586,651
Investments	1,376,793,961	-	-	-	1,376,793,961
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and other receivables	15,820,184	-	-	-	15,820,184
Receivable against sale of investments - net	4,149,878	-	-	-	4,149,878
	1,565,950,674	-	-	-	1,565,950,674
Financial liabilities					
Payable to the Management Company	21,018,933	-	-	-	21,018,933
Payable to the Trustee	224,886	-	-	-	224,886
Accrued and other liabilities	1,633,147	-	-	-	1,633,147
	22,876,966	-	-	-	22,876,966
Net assets	1,543,073,708	-	-	-	1,543,073,708

21.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted price (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2020 and June 30, 2019, the Fund held the following assets measured at fair values:

----- As at June 30, 2020 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
Financial assets 'at fair value through profit or loss'			
- Listed equity securities	1,296,831,515	-	1,296,831,515
----- As at June 30, 2019 -----			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
Financial assets 'at fair value through profit or loss'			
- Listed equity securities	1,376,793,961	-	1,376,793,961

21.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme.

22 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

23 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements except for the following:

Reclassification from the statement of assets and liabilities	Reclassification from the statement of assets and liabilities	June 30, 2019 ---Rupees---
Accrued expenses and other liabilities	Payable to the Management Company	1,171,612

24 GENERAL

24.1 Regulatory reliefs due to COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

24.2 Operational Risk Management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

24.3 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	288	1,915,052	181,280,000	14%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	5	1,017,857	96,340,000	7%
Retirement & Other Funds	23	6,895,292	652,650,000	50%
Others	20	4,050,170	383,348,347	29%
	336	13,878,371	1,313,618,347	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	308	2,521,038	247,888,411	18%
Insurance Co.	9	1,183,042	116,326,078	9%
Retirement & Other Funds	26	8,434,019	829,299,350	61%
Others	23	3,343,905	328,799,457	24%
	366	15,482,005	1,522,313,296	112%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Next Capital Limited	13.44%
Alfalah Securities (Private) Limited	10.04%
Inter Market Securities Limited	9.12%
Al Habib Capital Markets Limited	7.64%
Shajar Capital Pakistan Private Limited	6.31%
Taurus Securities Limited	5.86%
Topline Securities (Pvt) Limited	5.43%
Ismail Iqbal Securities (Pvt.) Limited	5.16%
Foundation Securities Limited	5.14%
EFG Hermes Pakistan Limited	4.66%
	30 June 2019
	%
Next Capital Limited	10.49%
Inter Market Securities Limited	8.37%
Alfalah Securities (Private) Limited	8.02%
Foundation Securities Limited	7.46%
Shajar Capital Pakistan Private Limited	7.00%
IGI Finex Securities Limited	6.76%
EFG Hermes Pakistan Limited	6.20%
Al Habib Capital Markets Limited	5.99%
BMA Capital Management Limited	5.08%
Optimus Capital Management (Pvt) Limited	4.50%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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PERFORMANCE TABLE - AGSTF

	30 June 2019	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Net Assets	1,313,618,347	1,522,313	2,413,719	2,720,742	1,527,839
NAV per unit	94.6522	98.3279	133.9569	156.8824	126.0747
Selling price per unit	97.3261	101.1057	137.7412	161.3143	130.2427
Redemption price per unit	94.6522	98.3279	133.9569	156.8824	126.0747
Highest selling price per unit	128.4717	127.7442	161.5662	187.3510	142.3502
Highest redemption price per unit	124.9421	124.2346	157.1274	182.2037	137.7947
Lowest selling price per unit	76.9215	99.3889	128.4005	131.0540	117.6185
Lowest redemption price per unit	74.8082	96.6583	124.8728	127.4534	113.8545
Interim 1st distribution date	Nil	Nil	Nil	22-Jun-17	7.713
Interim 2nd distribution date	Nil	Nil	Nil	29-Jun-17	
Interim distribution date	Nil	Nil	Nil	3.62	29-Jun-16
Final distribution per unit	Nil	Nil	Nil	1.76	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-3.74%	-17.35%	-14.61%	28.69%	14.88%
Income distribution	Nil	Nil	Nil	4.27%	6.61%

Return since inception is 17.05%

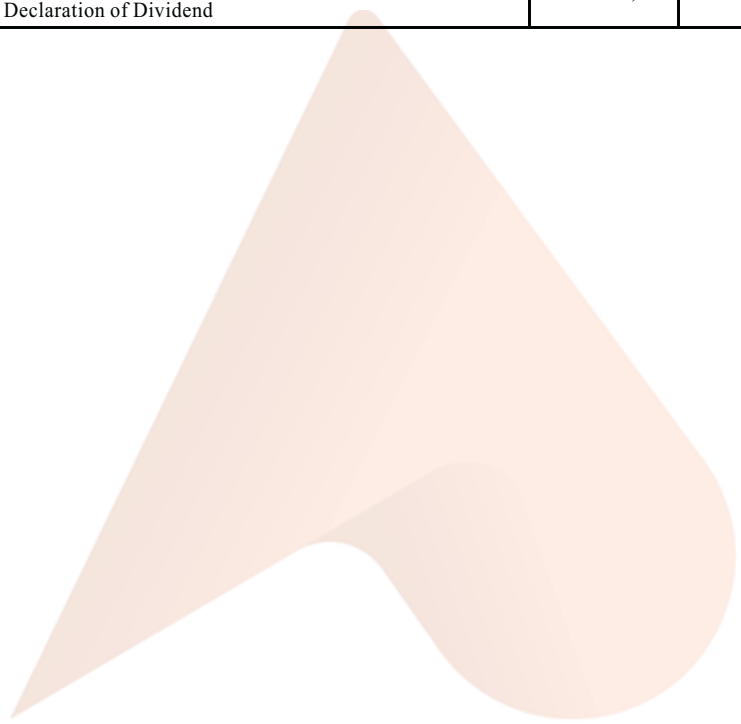
The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
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Engro Polymer & Chemicals Limited							
EOGM	3-Feb-20	Approval of Annual Accounts of the Company	1,159,000	0.128%	P		
		Declaration of Dividend					

Sui Northern Gas Pipelines Limited							
EOGM	2-Jun-20	Approval of Annual Accounts of the Company	299,400	0.05%	P		
		Declaration of Dividend					





Alfalah
GHP Islamic Stock Fund

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Islamic Stock Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of Alfalah GHP Islamic Stock Fund (AGISF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds via investments in Shariah Compliant avenues.

Equity Market Review

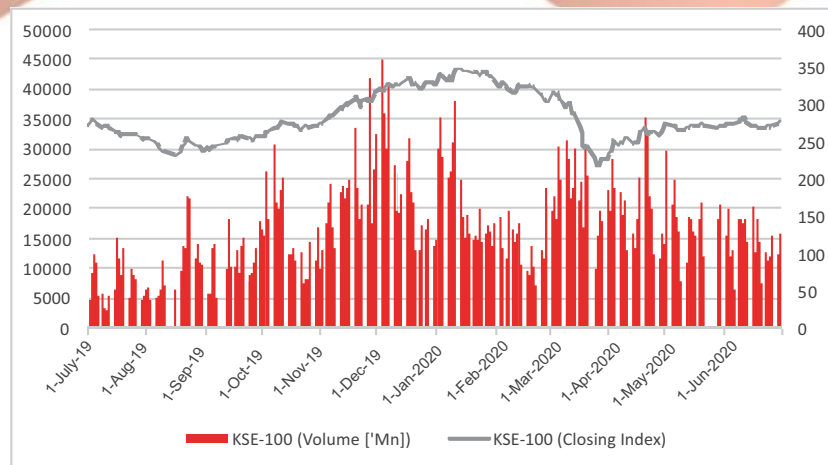
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

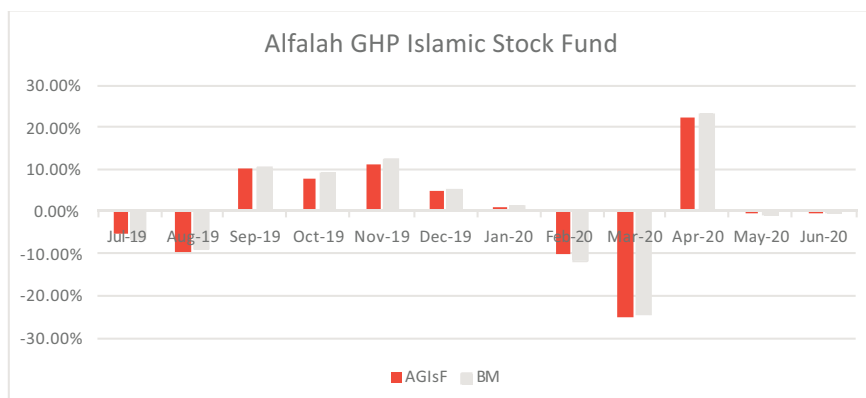


Fund Performance

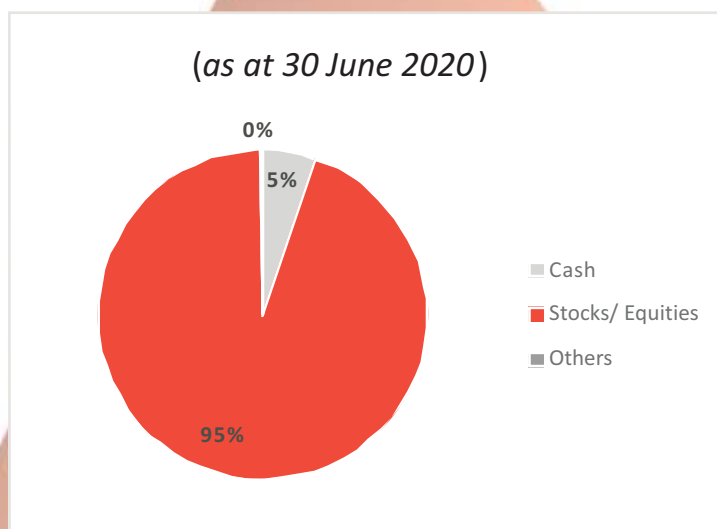
In FY20, AGISTF earned a return of -1.34% while its benchmark earned a return of 1.62% during the same period.

The fund maintained average equity exposure more than 90% through the period. The fund remained invested in index heavy sectors (Banking and E&P) as they presented attractive valuation.

Performance comparison with Benchmark



Asset Allocation



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC STOCK FUND

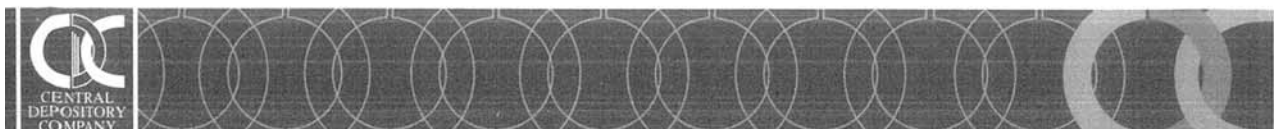
Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

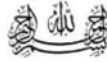
We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Stock Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020





**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC STOCK FUND**

We, the Shariah Advisory Board of the Alfalah GHP Islamic Stock Fund ('AGISF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Modified and Restated Trust Deed dated February 12, 2015 and Replacement 3rd Supplement Offering Document dated March 11, 2015 of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisory Board, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisory Board of the Fund, we have checked Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2019 to June 30, 2020.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

For the Year 2019-20 Provision against Charity is made amount to Rs. 3,458,976.68 in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board



Mufti Shaikh Noman
Shariah Advisor



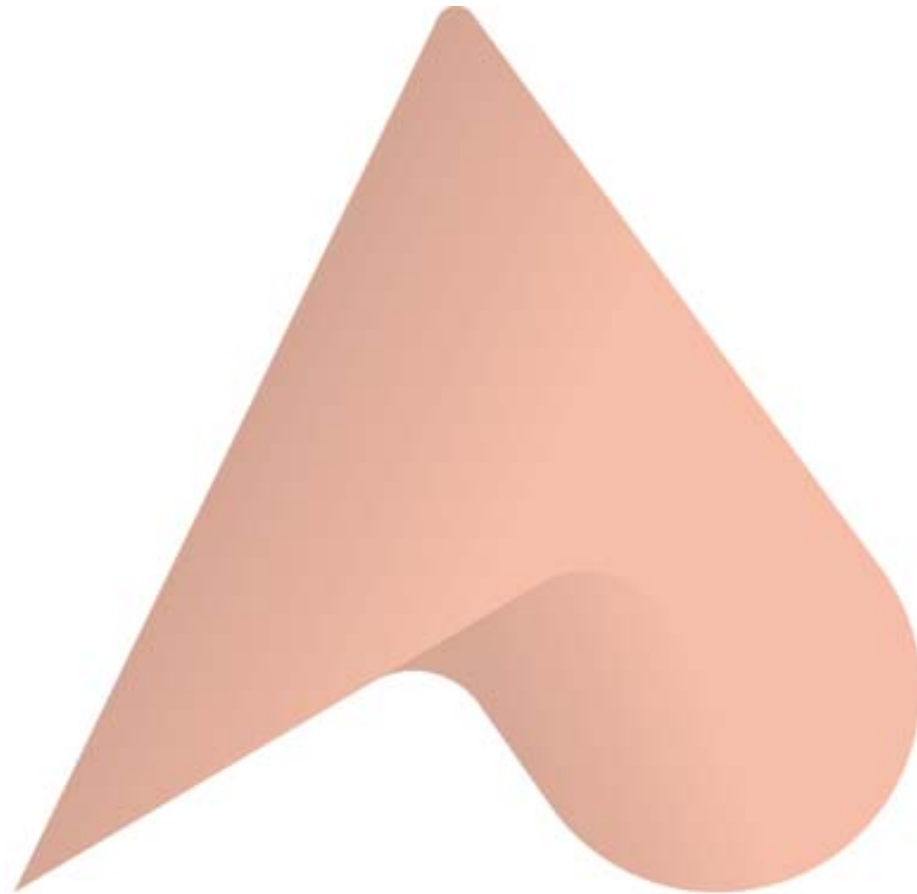
Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Stock Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2020. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 29, 2020

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Stock Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 1,869.73 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020

	2020	2019
Note	----- (Rupees) -----	
Assets		
Bank balances	4 104,944,368	238,742,120
Investments	5 1,869,728,457	1,894,769,598
Security deposits	6 2,600,000	2,600,000
Dividend, profit and other receivable	7 1,577,849	2,114,884
Receivable against sale of investments	-	3,500,001
Total assets	1,978,850,674	2,141,726,603
Liabilities		
Payable to the Management Company	8 21,355,009	19,549,754
Payable to the Trustee	9 264,466	294,955
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10 412,475	3,296,439
Payable against purchase of investments	1,117,464	-
Accrued expenses and other liabilities	11 56,252,445	56,485,980
Total liabilities	79,401,859	79,627,128
Net assets attributable to the unit holders	<u>1,899,448,815</u>	<u>2,062,099,475</u>
Unit holders' fund (as per statement attached)	<u>1,899,448,815</u>	<u>2,062,099,475</u>
Contingencies and commitments		
	12	----- (Number of units) -----
Number of units in issue	<u>47,376,754</u>	<u>50,744,461</u>
	----- (Rupees) -----	
Net asset value per unit	<u>40.0924</u>	<u>40.6369</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 -----
Income			
Profit on bank balances		13,195,736	28,553,331
Loss on sale of investments - net		(82,457,372)	(414,362,168)
Dividend income		94,061,987	184,104,403
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(43,815,381)	(372,382,594)
Other Income		74,115	-
Total loss		<u>(18,940,915)</u>	<u>(574,087,028)</u>
Expenses			
Remuneration of the Management Company	8.1	41,241,552	69,398,716
Sindh sales tax on remuneration of the Management Company	8.2	5,361,394	9,021,829
Allocated expenses	8.4	2,054,890	3,469,701
Selling and marketing expenses	8.5	17,537,441	13,878,791
Remuneration of the Trustee	9.1	3,060,849	4,469,937
Sindh sales tax on remuneration of the Trustee	9.2	397,906	581,092
Annual fee to the Securities and Exchange Commission of Pakistan	10	412,475	3,296,439
Brokerage expense and capital value tax		8,939,206	5,905,103
Bank and settlement charges		917,684	1,156,385
Auditors' remuneration	13	804,160	801,983
Annual listing fee		23,620	27,467
Annual rating fee		-	81,782
Printing charges		-	70,014
Charity expense	11.2	2,994,281	4,516,939
Shariah advisory fee		442,248	600,060
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	-	-
Total expenses		<u>84,187,706</u>	<u>117,276,238</u>
Net loss for the year before taxation		<u>(103,128,621)</u>	<u>(691,363,266)</u>
Taxation	15	-	-
Net loss for the year after taxation		<u>(103,128,621)</u>	<u>(691,363,266)</u>
Allocation of net income for the year			
Net income for the year after taxation		-	-
Less: Income already paid on units redeemed		-	-
		<u>-</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		-	-
		<u>-</u>	<u>-</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

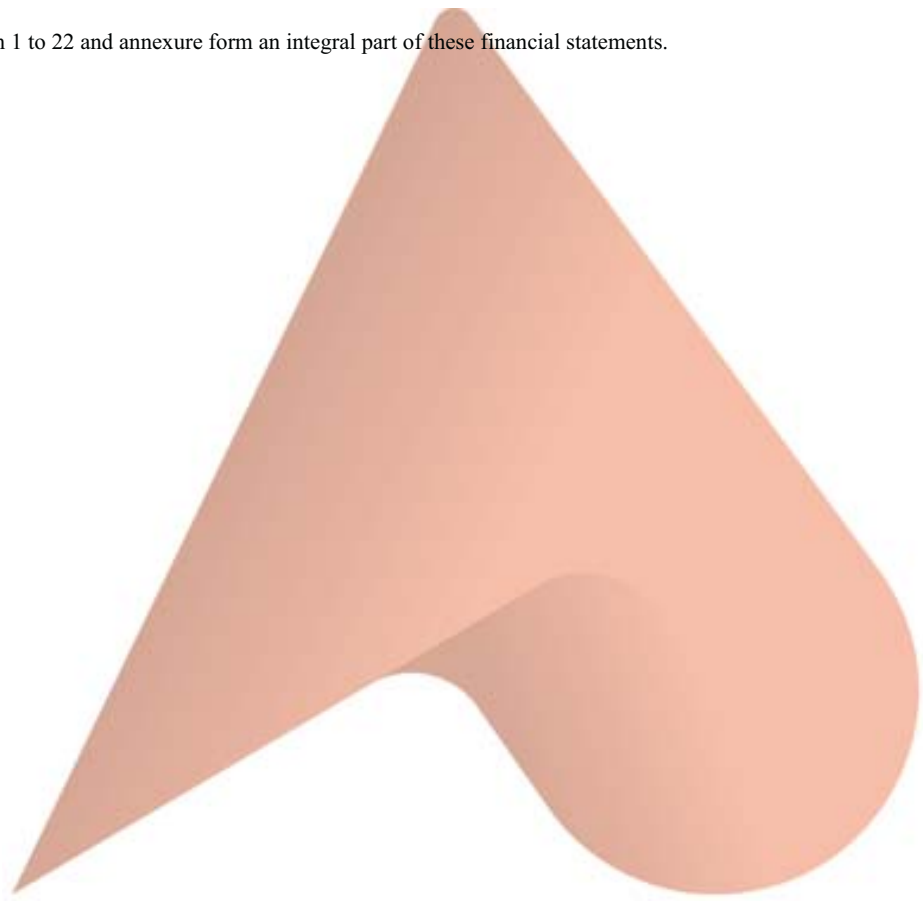
Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Net loss for the year after taxation	(103,128,621)	(691,363,266)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u><u>(103,128,621)</u></u>	<u><u>(691,363,266)</u></u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	Rupees			Rupees		
Net assets at beginning of the year	2,381,838,489	(319,739,014)	2,062,099,475	3,148,739,238	1,234,230,516	4,382,969,754
Issuance of 62,612,906 units (2019: 45,807,597 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,544,394,416	-	2,544,394,416	2,292,482,442	-	2,292,482,442
- Element of income / (loss)	64,047,804	-	64,047,804	(90,092,901)	-	(90,092,901)
Total proceeds on issuance of units	2,608,442,220	-	2,608,442,220	2,202,389,541	-	2,202,389,541
Redemption of 65,980,613 units (2019: 65,405,830 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,681,247,597	-	2,681,247,597	3,273,293,719	-	3,273,293,719
- Element of income	(13,283,338)	-	(13,283,338)	(304,003,429)	-	(304,003,429)
Total payments on redemption of units	2,667,964,259	-	2,667,964,259	2,969,290,290	-	2,969,290,290
Total comprehensive loss for the year	-	(103,128,621)	(103,128,621)	-	(691,363,266)	(691,363,266)
Bonus distribution for the year ended June 30, 2018 @ Rs. 12.2629 per unit on July 02, 2018	-	-	-	-	(862,606,264)	(862,606,264)
Net assets at end of the year	2,322,316,450	(422,867,635)	1,899,448,815	2,381,838,489	(319,739,014)	2,062,099,475
	(Rupees)			(Rupees)		
Undistributed income / (accumulated loss) brought forward						
- Realised income		52,643,580			1,447,750,052	
- Unrealised loss		(372,382,594)			(213,519,536)	
		(319,739,014)			1,234,230,516	
Accounting income available for distribution						
- Relating to capital gain		-			-	
- Excluding capital gain		-			-	
Total comprehensive loss for the year		(103,128,621)			(691,363,266)	
Bonus distribution for the year ended June 30, 2018 @ Rs. 12.2629 per unit on July 02, 2018		-			(862,606,264)	
Undistributed income / (accumulated loss) carried forward		(422,867,635)			(319,739,014)	
Undistributed income / (accumulated loss) carried forward						
- Realised (loss) / income		(379,052,254)			52,643,580	
- Unrealised loss		(43,815,381)			(372,382,594)	
		(422,867,635)			(319,739,014)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			40.6369			62.3088
Net asset value per unit at the end of the year			40.0924			40.6369

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(103,128,621)	(691,363,266)
Adjustment for:		
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	43,815,381	372,382,594
	(59,313,240)	(318,980,672)
(Increase) / decrease in assets		
Investments - net	(18,774,240)	1,710,065,317
Dividend, profit and other receivable	537,035	7,232,916
Receivable against sale of investments	3,500,001	15,511,541
	(14,737,204)	1,732,809,774
Increase / (decrease) in liabilities		
Payable to the Management Company	1,805,255	(8,273,297)
Payable to the Trustee	(30,489)	(214,240)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(2,883,964)	(2,327,339)
Accrued expenses and other liabilities	(233,535)	4,952,734
Payable against purchase of investments	1,117,464	-
	(225,269)	(5,862,142)
Net cash (used in) / generated from operating activities	(74,275,713)	1,407,966,960
CASH FLOW FROM FINANCING ACTIVITIES		
Amounts received against issuance of units	2,608,442,220	1,339,783,277
Payments made against redemption of units	(2,667,964,259)	(2,969,290,290)
Net cash used in financing activities	(59,522,039)	(1,629,507,013)
Net decrease in cash and cash equivalents during the year	(133,797,752)	(221,540,053)
Cash and cash equivalents at the beginning of the year	238,742,120	460,282,173
Cash and cash equivalents at the end of the year	4 104,944,368	238,742,120

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alfalah GHP Islamic Stock Fund (formerly Alfalah GHP Islamic Fund) (the Fund) is an open-ended collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on April 11, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the NBFC (Establishment and Regulation) Rules, 2003 (the NBFC Rules), on March 29, 2007. The SECP has approved second Supplemental Trust Deed, under the NBFC Regulations, vide its letter No. SCD/AMCW/AGISF/239/2015 dated February 03, 2015 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Islamic Stock Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

1.2 The Fund is categorised as a 'shariah compliant equity scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.3 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2 (positive outlook) to the Management Company on August 9, 2019.

1.4 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

"These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:"

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other new standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.6 and 15)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at their fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2020	2019
		----- (Rupees) -----	
4 BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	64,115,316	155,606,692
Current accounts	4.2	<u>40,829,052</u>	<u>83,135,428</u>
		<u>104,944,368</u>	<u>238,742,120</u>

4.1 The rate of return on these accounts ranges from 3% to 7.50% (2019: 4.75% to 13.60%) per annum. It includes bank balance of Rs 6.75 million (2019: Rs 9.62 million) maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

4.2 This balance is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5 INVESTMENTS

Note

2020

2019

----- (Rupees) -----

At fair value through profit or loss

Listed equity securities

5.1

1,869,728,457	1,894,769,598
<u>1,869,728,457</u>	<u>1,894,769,598</u>

5.1 Listed equity securities - at fair value through profit or loss

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2019	Acquired during the year	Bonus / Right shares during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealized Gain/(Loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
Fertilizer											
Engro Fertilizer Limited	2,229,393	1,813,500	-	2,753,000	1,289,893	84,028,008	77,754,750	(6,273,258)	4.09%	4.16%	0.10%
Engro Corporation Limited	810,320	842,700	-	888,812	764,208	224,869,996	223,851,807	(1,018,189)	11.79%	11.97%	0.13%
Fauji Fertilizer Company Limited	920,500	621,500	-	1,194,700	347,300	31,826,788	38,199,527	6,372,739	2.01%	2.04%	0.03%
						340,724,792	339,806,084	(918,708)	17.89%	18.17%	
Cement											
Cherat Cement Company Limited	-	459,000	-	291,500	167,500	12,475,430	14,600,975	2,125,545	0.77%	0.78%	0.09%
D.G. Khan Cement Company Limited	176,140	1,643,500	-	1,295,500	524,140	39,800,535	44,724,866	4,924,331	2.35%	2.39%	0.12%
Fauji Cement Company Limited	-	1,534,000	-	1,284,000	250,000	4,603,108	4,220,000	(383,108)	0.22%	0.23%	0.02%
Kohat Cement Limited	97,200	153,000	-	135,500	114,700	10,861,701	15,765,515	4,903,814	0.83%	0.84%	0.06%
Lucky Cement Limited	172,868	548,000	-	397,900	322,968	134,402,429	149,075,569	14,673,140	7.85%	7.97%	0.10%
Pioneer Cement	-	362,500	-	104,500	258,000	12,247,453	16,264,320	4,016,867	0.86%	0.87%	0.11%
Attock Cement (Pakistan) Limited	-	142,000	-	19,000	123,000	15,454,153	15,329,490	(124,663)	0.81%	0.82%	0.09%
Maple Leaf Cement Company Limited	209,587	3,629,573	-	2,770,000	1,069,160	25,217,931	27,776,777	2,558,846	1.46%	1.49%	0.10%
						255,062,740	287,757,512	32,694,772	15.15%	15.39%	
Power generation and distribution											
Hub Power Company Limited	2,249,695	2,568,000	-	2,417,000	2,400,695	200,721,921	174,050,703	(26,671,218)	9.16%	9.31%	0.19%
K Electric Limited (Face Value of Rs. 3.5)	-	5,973,000	-	3,153,000	2,820,000	11,785,166	8,488,200	(3,296,966)	0.45%	0.45%	0.01%
Kot Addu Power Company Limited	1,067,500	-	-	1,067,500	-	-	-	-	-	-	-
						212,507,087	182,538,903	(29,968,184)	9.61%	9.76%	
Oil and gas marketing companies											
Hascol Petroleum Limited	8,709	373,031	-	374,000	7,740	175,059	105,264	(69,795)	0.01%	0.01%	0.00%
Pakistan State Oil Company Limited	343,946	772,500	55,929	697,500	474,875	79,948,579	75,106,230	(4,842,349)	3.95%	4.02%	0.10%
Attock Petroleum Limited	-	18,500	-	18,500	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	504,000	-	504,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	966,107	1,165,000	-	1,446,500	684,607	44,483,879	37,379,542	(7,104,337)	1.97%	2.00%	0.11%
						124,607,517	112,591,036	(12,016,481)	5.93%	6.02%	
Oil and gas exploration companies											
Mari Petroleum Company Limited	115,462	82,820	11,242	120,680	88,844	89,071,342	109,868,933	20,797,591	5.78%	5.88%	0.07%
Oil and Gas Development Company Limited	1,747,470	1,992,800	-	2,140,100	1,600,170	194,819,357	174,418,530	(20,400,827)	9.18%	9.33%	0.04%
Pakistan Oilfields Limited	290,663	199,200	-	335,600	154,263	62,391,697	54,089,236	(8,302,461)	2.85%	2.89%	0.05%
Pakistan Petroleum Limited	1,525,612	2,010,602	-	1,862,900	1,673,314	181,413,648	145,210,189	(36,203,459)	7.64%	7.77%	0.06%
						527,696,044	483,586,888	(44,109,156)	25.46%	25.87%	
Automobile assembler											
Millat Tractors Limited	7,050	13,350	881	12,800	8,481	6,166,049	5,988,943	(177,106)	0.32%	0.32%	0.02%
Thal Limited (Face Value of Rs. 5)	-	90,800	-	40,800	50,000	15,473,617	16,247,000	773,383	0.86%	0.87%	0.17%
Honda Atlas Cars (Pakistan) Limited	-	101,500	-	31,800	69,700	14,314,570	13,499,496	(815,074)	0.71%	0.72%	0.06%
						35,954,236	35,735,439	(218,797)	1.88%	1.91%	
Electrical Goods											
Pak Elektron Limited	-	213,000	-	213,000	-	-	-	-	-	-	-
Textile composite											
Kohinoor Textile Mills Limited	1,751	444,000	-	53,000	392,751	14,670,419	13,946,588	(723,831)	0.73%	0.75%	0.13%
Nishat Mills Limited	583,374	687,000	-	681,400	588,974	50,881,288	45,945,862	(4,935,426)	2.42%	2.46%	0.17%
Interloop Limited	450,250	450,000	-	833,500	66,750	3,056,683	2,931,660	(125,023)	0.15%	0.16%	0.01%
						68,608,390	62,824,110	(5,784,280)	3.31%	3.36%	
Engineering											
International Industries limited	406	435,800	13,690	368,900	80,996	7,620,113	7,429,763	(190,350)	0.39%	0.40%	0.06%
International Steels Limited	229	1,270,000	-	1,036,800	233,429	11,293,259	12,056,608	763,349	0.63%	0.64%	0.05%
Mughal Iron and Steel Industries Limited	-	496,000	-	121,500	374,500	17,213,619	14,935,060	(2,278,559)	0.79%	0.80%	0.15%
						36,126,991	34,421,431	(1,705,560)	1.81%	1.84%	

Name of the investee company	As at July 01, 2019	Acquired during the year	Bonus / Right shares during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealized Gain/(Loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
	----- Number of shares held -----				----- (Rupees) -----						
Pharmaceuticals											
The Searle Company Limited	167,771	249,900	-	193,400	224,271	38,196,775	44,681,511	6,484,736	2.35%	2.39%	0.11%
GlaxoSmithKline (Pakistan) Limited (a related party)	-	43,200	-	1,000	42,200	6,860,840	7,346,176	485,336	0.39%	0.39%	0.01%
AGP Limited	-	230,000	-	230,000	-	-	-	-	-	-	-
Highnoon Laboratories Limited	6	27,250	2,625	2,700	27,181	12,611,361	13,625,292	1,013,931	0.72%	0.73%	0.08%
						57,668,976	65,652,979	7,984,003	3.46%	3.51%	
Food and personal care products											
Al-Shaheer Corporation Limited	475	81	-	-	556	6,795	6,361	(434)	0.00%	0.00%	0.00%
Frieslandcampins Engro Foods Limited	-	27,500	-	27,500	-	-	-	-	-	-	-
At-Tahir Limited	-	357,500	-	-	357,500	6,163,410	6,159,725	(3,685)	0.32%	0.33%	0.22%
						6,170,205	6,166,086	(4,119)	0.32%	0.33%	
Inv. Banks / Inv. Cos. / Securities Cos.											
Dawood Hercules Corporation Limited	11,684	524,700	-	230,900	305,484	48,165,586	39,077,513	(9,088,073)	2.06%	2.09%	0.06%
						48,165,586	39,077,513	(9,088,073)	2.06%	2.09%	
Commercial Banks											
Meezan Bank Limited	1,231,455	1,169,500	-	1,334,500	1,066,455	85,582,939	73,425,427	(12,157,512)	3.87%	3.93%	0.08%
Bankislami Pakistan Limited	-	540,000	-	538,000	2,000	26,252	15,120	(11,132)	-	-	-
						85,609,191	73,440,547	(12,168,644)	3.87%	3.93%	
Chemical											
Engro Polymer and Chemicals Limited	3,113,500	1,986,000	-	4,044,500	1,055,000	28,522,948	26,353,900	(2,169,048)	1.39%	1.41%	0.12%
I.C.I. Pakistan Limited	87	9,700	-	-	9,787	6,703,315	6,799,127	95,812	0.36%	0.36%	0.01%
Lotte Chemical Pakistan Limited	-	1,366,500	-	443,000	923,500	9,366,866	9,188,825	(178,041)	0.48%	0.49%	0.06%
Ittehad Chemicals Limited	-	323,000	-	10,000	313,000	6,730,218	8,247,550	1,517,332	0.43%	0.44%	0.37%
						51,323,347	50,589,402	(733,945)	2.66%	2.71%	
Miscellaneous											
Synthetic Products Enterprises Limited	26,336	-	1,053	17,500	9,889	211,000	411,185	200,185	0.02%	0.02%	0.01%
						211,000	411,185	200,185	0.02%	0.02%	
Paper and board											
Packages Limited	668	21,500	-	22,168	-	-	-	-	-	-	-
Century Paper and Board Mills	-	165,000	-	4,000	161,000	10,589,772	11,522,770	932,998	0.61%	0.62%	-
						10,589,772	11,522,770	932,998	0.61%	0.62%	
Technology & Communication											
NetSol Technologies Limited	-	40,000	-	40,000	-	-	-	-	-	-	-
Systems Limited	474,770	231,600	-	344,500	361,870	36,098,943	66,468,282	30,369,339	3.50%	3.55%	0.29%
						36,098,943	66,468,282	30,369,339	3.50%	3.55%	
Vanaspati & Allied											
Unity Foods Limited	-	1,447,000	-	530,000	917,000	9,343,596	10,224,550	880,954	0.54%	0.55%	0.17%
						9,343,596	10,224,550	880,954	0.54%	0.55%	
Transport											
Pakistan International Bulk Terminal Limited	-	484,000	-	484,000	-	-	-	-	-	-	-
Pakistan National Shipping Corporation Limited	-	91,500	-	-	91,500	7,075,425	6,913,740	(161,685)	0.36%	0.37%	0.07%
						7,075,425	6,913,740	(161,685)	0.36%	0.37%	
As at June 30, 2020						1,913,543,838	1,869,728,457	(43,815,381)			
As at June 30, 2019						2,267,152,192	1,894,769,598	(372,382,594)			

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs. 77.620 million (2019: Rs. 82.142 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company	2020	2019	2020	2019
	Number of shares		Market Value	
	----- (Rupees) -----			
D.G. Khan Cement Company Limited	60,000	60,000	5,119,800	3,392,400
The Hub Power Company Limited	1,000,000	1,000,000	72,500,000	78,750,000
			77,619,800	82,142,400

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgement whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at June 30, 2020, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of bonus shares.

Name of investee Company	2020		2019	
	Bonus Shares			
	Number	Market value	Number	Market value
	(Rupees)		(Rupees)	
Hascol Petroleum Limited	4,223	57,428	4,223	289,757
Kohinoor Textile Mills Limited	1,287	45,701	1,287	32,239
The Searle Company Limited	11,563	2,303,746	11,563	1,694,710
Hignoon Laboratories Limited	1	501	1	253
Al Shaheer Corporation Limited	274	3,135	274	3,452
Pakistan State Oil Company Limited	9,104	1,439,838	7,586	1,286,881
Synthetic Products Enterprises Limited	9,488	394,508	9,123	202,439
		<u>4,244,857</u>		<u>3,509,731</u>

5.2 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

	2020	2019
	----- (Rupees) -----	
Market value of investments	1,869,728,457	1,894,769,598
Less: carrying value of investments	<u>(1,913,543,838)</u>	<u>(2,267,152,192)</u>
	<u>(43,815,381)</u>	<u>(372,382,594)</u>

6 SECURITY DEPOSITS

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	<u>2,500,000</u>	<u>2,500,000</u>
	<u>2,600,000</u>	<u>2,600,000</u>

7 DIVIDEND, PROFIT AND OTHER RECEIVABLE

Dividend receivable	610,497	562,341
Profit receivable on bank balances	285,189	870,380
Security margin with NCCPL	682,163	682,163
	<u>1,577,849</u>	<u>2,114,884</u>

8 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	8.1	3,073,256	3,582,309
Sindh sales tax payable on management remuneration	8.2	1,188,470	1,254,656
Federal excise duty payable on management remuneration	8.3	5,412,371	5,412,371
Payable against allocated expenses	8.4	868,127	1,261,645
Payable against selling and marketing expenses	8.5	9,764,967	5,846,497
Sales load payable		1,047,818	2,192,276
		<u>21,355,009</u>	<u>19,549,754</u>

- 8.1 The Management Company has charged remuneration at a rate of 2% (2019: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 During the year, an amount of Rs. 5.361 million (2019: Rs. 9.022 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 5.428 million (2019: Rs. 9.514 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.412 million has been retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset per unit of the Fund would have been higher by Re 0.11 (June 30, 2019: Re 0.11).

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The Management Company, based on its own discretion, has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 8.5 The SECP allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current year, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to the Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	2020	2019
	----- (Rupees) -----	
Trustee remuneration payable	9.1	234,041
Sindh sales tax payable on Trustee remuneration	9.2	30,425
	<u>264,466</u>	<u>294,955</u>

- 9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Effective from July 1, 2019, the Trustee has revised its tariff as follows:

Existing Tariff		Revised Tariff
Net Assets (Rs.)	Fee	
- up to Rs. 1 billion	Rs 0.7 million or 0.20% p.a. of net assets whichever is higher	0.20% p.a. of net assets
Over Rs.1 billion	Rs 2.0 million plus 0.10% p.a. of net assets exceeding one billion	Rs 2.0 million plus 0.10% p.a. of net assets exceeding one billion

Accordingly, the Fund has charged Trustee remuneration at revised tariff during the current year and an amount of Rs 3.061 million has been recorded in the income statement.

- 9.2 Accordingly during the year, an amount of Rs 0.398 million (2019: Rs. 0.581 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.401 million (2019: Rs. 0.608 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the Fund was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current year.

	Note	2020	2019
----- (Rupees) -----			
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	45,637,296	45,637,296
Auditors' remuneration payable		818,588	681,760
Brokerage payable		2,875,089	1,946,269
Settlement charges		81,885	49,458
Withholding tax payable		1,405,028	982,274
Charity payable	11.2	3,461,817	5,289,054
Shariah advisor fee payable		842,054	879,806
Capital value tax payable		53,207	68,885
Federal excise duty		378,218	257,471
Sales load payable		278,289	259,360
Annual rating fee		235,413	235,413
Other liabilities		185,561	198,934
		<u>56,252,445</u>	<u>56,485,980</u>

- 11.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value per unit of the Fund as at June 30, 2020 would have been higher by Re 0.96 (2019: Re 0.90).

- 11.2** According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments a portion of which has been made in non-shariah compliant avenues, such portion of the income of the Fund from that investee should be donated for charitable purposes directly by the Fund.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

	2020	2019
----- (Rupees) -----		
13 AUDITORS' REMUNERATION		
Audit fee	400,000	400,000
Review and other certification	260,517	260,517
Out of pocket expenses	84,076	82,060
Sindh sales tax	59,567	59,406
	<u>804,160</u>	<u>801,983</u>

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 4.32% which includes 0.91% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a shariah compliant equity scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance 2001.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund. The transactions with connected persons are in the normal course of business and at contractual rates.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

The detail of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

16.1 Unit holders' fund

Note	2020									
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020
	(Units)					(Rupees)				
Key management personnel										
Head of Corporate sales	16.1.1	4,517	-	-	4,517	185,793	-	-	-	181,097
Chief Investment Officer	16.1.1	13,991	34,839	-	16,717	32,113	575,449	1,450,000	-	597,712
Head of Compliance and Risk Management	16.1.1	7	-	-	7	318	-	-	-	281
Head of Investment Advisory and Senior Portfolio Manager	16.1.1	10,698	9,096	-	10,698	9,096	440,006	340,727	-	420,727
Chief Operating Officer	16.1.1	1,010	-	-	1,010	-	41,528	-	-	39,132
Units more than 10%										
Sindh Province Pension Fund	16.1.1	10,220,192	-	-	-	10,220,192	420,342,202	-	-	-
Al Hilal Industries (Private) Limited	16.1.1	2,288,162	3,280,066	-	-	5,568,228	94,108,898	121,000,000	-	-
2019										
Note	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend Reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019
	(Units)					(Rupees)				
Associated companies / undertakings										
Alfalah GHP Prosperity Planning Fund		859,669	-	210,647	1,070,316	-	53,564,908	-	10,542,030	52,602,498
Alfalah GHP Islamic Prosperity Planning Fund *		6,265,545	-	1,535,265	7,800,810	-	390,398,560	-	76,833,741	378,210,057
Key management personnel (Employees)										
Head of Corporate sales		3,628	-	889	-	4,517	226,056	-	44,493	-
Head of Human Resource		2	-	-	2	-	146	-	29	140
Chief Investment Officer		21,871	4,353	5,359	17,592	13,991	1,362,758	180,000	268,202	855,904
Head of Compliance and Risk Management		6	-	1	-	7	374	-	76	-
Head of Investment Advisory and Senior Portfolio Manager		7,815	968	1,915	-	10,698	486,943	50,000	95,938	-
Head of Administration		6,056	-	1,484	7,540	-	377,342	-	74,260	354,848
Chief Financial Officer		3,056	-	749	3,805	-	190,416	-	37,486	196,160
Chief Operating Officer			1,010	-	1,010	-	50,000	-	-	41,043
Units more than 10% *										
Sindh Province Pension Fund		8,208,772	-	2,011,420	10,220,192	511,479,733	-	100,663,348	-	415,316,920
Al Hilal Industries (Private) Limited		8,971,743	5,960,597	2,198,374	17,130,714	-	559,018,529	259,277,838	110,019,585	722,960,886

16.1.1 This reflects the position of related party / connected person status as at June 30, 2020.

16.2 Other transactions

2020 **2019**
----- (Rupees) -----

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Remuneration of the Management Company	41,241,552	69,398,716
Sindh sales tax on remuneration of the Management Company	5,361,394	9,021,829
Allocated expenses	2,054,890	3,469,701
Selling and marketing expenses	17,537,441	13,878,791
Sales load	3,677,828	7,383,973

2020 **2019**
----- (Rupees) -----

Bank Alfalah Limited - Islamic Banking Division

Profit on bank balances	122,608	116,308
Bank charges	18,302	50,680
Sales load	200,936	806,260

Glaxo Smith Kline Pakistan- Under common Directorship

Purchase of 42,200 Shares	6,860,840	-
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Other related parties

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	3,060,849	4,469,937
Sindh sales tax on remuneration of the Trustee	397,906	581,092
Settlement charges	863,561	268,365

16.3 Other balances

Associated companies / undertakings

Alfalsh GHP Investment Management Limited - Management Company

Management remuneration payable	3,073,256	3,582,309
Sindh sales tax payable on management remuneration	1,188,470	1,254,656
Federal excise duty payable on management remuneration	5,412,371	5,412,371
Payable against allocated expenses	868,127	1,261,645
Payable against selling and marketing expenses	9,764,967	5,846,497
Sales load payable	1,047,818	2,192,276

Bank Alfalah Limited - Islamic Banking Division

Bank balances	47,579,473	92,755,320
Profit receivable	-	128
Sales load payable	278,289	259,360

Glaxo Smith Kline Pakistan- Under common Directorship

Units held 42,200 units (2019: Nil Units)	7,346,176	-
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Other related party

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	234,041	261,022
Sindh sales tax payable on Trustee remuneration	30,425	33,933
Security deposit	100,000	100,000

17 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	104,944,368	-	104,944,368
Investments	-	1,869,728,457	1,869,728,457
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	1,577,849	-	1,577,849
	<u>109,122,217</u>	<u>1,869,728,457</u>	<u>1,978,850,674</u>

Particulars	2020		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	21,355,009	21,355,009
Payable to the Trustee	-	264,466	264,466
Payable against purchase of investments	-	1,117,464	1,117,464
Accrued expenses and other liabilities	-	8,543,283	8,543,283
	<u>-</u>	<u>31,280,222</u>	<u>31,280,222</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
(Rupees)			
Financial assets			
Bank balances	238,742,120	-	238,742,120
Investments	-	1,894,769,598	1,894,769,598
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	3,500,001	-	3,500,001
Dividend, profit and other receivable	2,114,884	-	2,114,884
	<u>246,957,005</u>	<u>1,894,769,598</u>	<u>2,141,726,603</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
(Rupees)			
Financial liabilities			
Payable to the Management Company	-	19,549,754	19,549,754
Payable to the Trustee	-	294,955	294,955
Accrued expenses and other liabilities	-	9,304,641	9,304,641
	<u>-</u>	<u>29,149,350</u>	<u>29,149,350</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds and are explained below:

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal risk management policies and investment guidelines established by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

18.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The profit rate profile of the Fund's profit bearing financial instruments as at June 30, 2020 is as follows:

Variable rate instrument (financial asset)	2020	2019
	-----Rupees-----	
Bank balance	<u>64,115,316</u>	<u>155,606,692</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates on the last repricing date would have increased / decreased the net loss for the year and the net assets of the Fund by Rs 0.641 million (2019: Rs 1.56 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment portfolio and the KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2020					Total
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	3% - 7.50%	64,115,316	-	-	40,829,052	104,944,368
Investments		-	-	-	1,869,728,457	1,869,728,457
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	1,577,849	1,577,849
		<u>64,115,316</u>	<u>-</u>	<u>-</u>	<u>1,914,735,358</u>	<u>1,978,850,674</u>
Financial liabilities						
Payable to the Management Company		-	-	-	21,355,009	21,355,009
Payable to the Trustee		-	-	-	264,466	264,466
Payable against purchase of investments		-	-	-	1,117,464	1,117,464
Accrued expenses and other liabilities		-	-	-	8,543,283	8,543,283
		<u>-</u>	<u>-</u>	<u>-</u>	<u>31,280,222</u>	<u>31,280,222</u>
On-balance sheet gap (a)		<u>64,115,316</u>	<u>-</u>	<u>-</u>	<u>1,883,455,136</u>	<u>1,947,570,452</u>
Off-balance sheet financial instruments		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Off-balance sheet gap (b)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total profit rate sensitivity gap (a+b)		<u>64,115,316</u>	<u>-</u>	<u>-</u>	<u>1,883,455,136</u>	<u>1,947,570,452</u>
Cumulative profit rate sensitivity gap		<u>64,115,316</u>	<u>64,115,316</u>	<u>64,115,316</u>		

Particulars	2019					Total
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year		

(Rupees)

On-balance sheet financial instruments

Financial assets

Bank balances	4.75% - 13.60%	155,606,692	-	-	83,135,428	238,742,120
Investments		-	-	-	1,894,769,598	1,894,769,598
Security deposits		-	-	-	2,600,000	2,600,000
Receivable against sale of investments		-	-	-	3,500,001	3,500,001
Dividend, profit and other receivable		-	-	-	2,114,884	2,114,884
Sub total		155,606,692	-	-	1,986,119,911	2,141,726,603

Financial liabilities

Payable to the Management Company		-	-	-	19,549,754	19,549,754
Payable to the Trustee		-	-	-	294,955	294,955
Accrued and other liabilities		-	-	-	9,304,641	9,304,641
Sub Total		-	-	-	29,149,350	29,149,350

On-balance sheet gap (a)

	155,606,692	-	-	1,956,970,561	2,112,577,253
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Off-balance sheet financial instruments

	-	-	-	-	-
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Off-balance sheet gap (b)

	-	-	-	-	-
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Total profit rate sensitivity gap

	155,606,692	-	-	1,956,970,561	2,112,577,253
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Cumulative profit rate sensitivity gap

	155,606,692	155,606,692	155,606,692		
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18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit investment in individual equity securities to not more than 15% of the net assets and issued capital of the investee company and sector exposure upto 40% of the net assets.

In case of 1% increase / decrease in KSE 100 index on June 30, 2020, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs 18.697 million (2019: Rs 18.948 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

The analysis is based on the assumption that equity index has increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

At June 30, 2020, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	104,944,368	104,944,368	238,742,120	238,742,120
Investments	1,869,728,457	-	1,894,769,598	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Receivable against sale of investments	-	-	3,500,001	3,500,001
Dividend, profit and other receivable	1,577,849	1,577,849	2,114,884	2,114,884
	<u>1,978,850,674</u>	<u>109,122,217</u>	<u>2,141,726,603</u>	<u>246,957,005</u>

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 1,869.729 million (2019: Rs 1,894.770 million) is not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

18.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities. Credit risk on dividend receivable is minimal due to statutory protection.

Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Bank	Rating Agency	Rating	2020	2019
Bank Alfalah Limited	PACRA	A1+	45.34%	38.85%
Meezan Bank Limited	JCR-VIS	A1+	0.008%	0.00%
National Bank of Pakistan	JCR-VIS	A1+	0.04%	0.58%
Habib Bank Limited	JCR-VIS	A1+	0.030%	0.01%
Bank Islami Pakistan	PACRA	A1	48.59%	47.93%
Dubai Islamic Bank	JCR-VIS	A1+	2.89%	0.008%
Silk Bank Limited	JCR-VIS	A2	1.12%	12.62%
MCB Islamic	PACRA	A1+	1.97%	0.00%
Allied Bank Limited	PACRA	A1+	0.01%	0.00%
			<u>100%</u>	<u>100%</u>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2020.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with banks having high credit rating and in listed equity securities which are not exposed to credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's investments in listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	104,944,368	-	-	-	104,944,368
Investments	1,869,728,457	-	-	-	1,869,728,457
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	1,577,849	-	-	-	1,577,849
	1,978,850,674	-	-	-	1,978,850,674
Financial liabilities					
Payable to the Management Company	21,355,009	-	-	-	21,355,009
Payable to the Trustee	264,466	-	-	-	264,466
Payable against purchase of investments	1,117,464	-	-	-	1,117,464
Accrued expenses and other liabilities	8,543,283	-	-	-	8,543,283
	31,280,222	-	-	-	31,280,222
Net assets	1,947,570,452	-	-	-	1,947,570,452
----- Rupees -----					
2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	238,742,120	-	-	-	238,742,120
Investments	1,894,769,598	-	-	-	1,894,769,598
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	3,500,001	-	-	-	3,500,001
Dividend, profit and other receivable	2,114,884	-	-	-	2,114,884
	2,141,726,603	-	-	-	2,141,726,603
Financial liabilities					
Payable to the Management Company	19,549,754	-	-	-	19,549,754
Payable to the Trustee	294,955	-	-	-	294,955
Accrued expenses and other liabilities	9,304,641	-	-	-	9,304,641
	29,149,350	-	-	-	29,149,350
Net assets	2,112,577,253	-	-	-	2,112,577,253

18.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2020 and June 30, 2019, the Fund held the following assets measured at fair values:

2020			
Level 1	Level 2	Level 3	Total

Financial assets at fair value through profit or loss

Investments

Listed equity securities

1,869,728,457	-	-	1,869,728,457
<u>1,869,728,457</u>	<u>-</u>	<u>-</u>	<u>1,869,728,457</u>

2019			
Level 1	Level 2	Level 3	Total

Financial assets at fair value through profit or loss

Investments

Listed equity securities

1,894,769,598	-	-	1,894,769,598
<u>1,894,769,598</u>	<u>-</u>	<u>-</u>	<u>1,894,769,598</u>

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18.5 Unit holders' fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

19 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure to these financial statements.

20 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

21 GENERAL

21.1 Figures have been rounded off to the nearest rupee.

21.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

21.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

22 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	655	15,878,243	636,588,815	34%
Retirement & Other Funds	15	19,217,040	770,460,000	41%
Insurance Co.	4	1,703,983	68,320,000	4%
Others	25	10,577,489	424,080,000	22%
	699	47,376,755	1,899,448,815	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	727	16,867,639	685,448,555	33%
Retirement & Other Funds	19	15,038,814	611,130,778	30%
Insurance Co.	4	2,671,592	108,565,203	5%
Others	24	16,166,417	656,954,940	33%
	774	50,744,461	2,062,099,475	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Next Capital Limited	10%
Inter Market Securities Limited	10%
Alfalah Securities (Private) Limited	9%
Al Habib Capital Markets Limited	6%
Shajar Capital Pakistan Private Limited	6%
Foundation Securities Limited	6%
Topline Securities (Pvt) Limited	6%
EFG Hermes Pakistan Limited	6%
Ismail Iqbal Securities (Pvt.) Limited	5%
BMA Capital Management Limited	5%
	30 June 2019
	%
Next Capital Limited	9%
Inter Market Securities Limited	9%
IGI Finex Securities Limited	8%
Alfalah Securities (Private) Limited	7%
Shajar Capital Pakistan Private Limited	7%
EFG Hermes Pakistan Limited	6%
Foundation Securities Limited	6%
BMA Capital Management Limited	6%
Al Habib Capital Markets Limited	5%
Optimus Capital Management (Pvt) Limited	5%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
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COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGISF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	(Rupees in '000)				
Net Assets	1,899,448	2,062,099	4,382,970	9,130,181	1,986,726
NAV per unit	40.0924	40.6369	62.3088	72.8229	63.8413
Selling price per unit	41.4515	42.0145	64.4211	75.2916	66.3740
Redemption price per unit	40.0924	40.6369	62.3088	72.8229	63.8413
Highest selling price per unit	53.4178	53.7467	76.4498	92.9008	76.8310
Highest redemption price per unit	51.6663	51.9844	73.9431	89.8547	73.8993
Lowest selling price per unit	31.6076	40.8919	60.5991	66.4375	60.6278
Lowest redemption price per unit	30.5712	39.5511	58.6121	64.2591	58.3144
Total interim distribution per unit	Nil	Nil	Nil	6.9204	8.1072
Interim distribution date	N/A	N/A	N/A	29-Jun-17	29-Jun-16
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A	N/A
Annualized returns	-1.34%	-18.81%	-14.43%	24.81%	20.33%
Income distribution	Nil	Nil	Nil	10.84%	13.52%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is 1.02%

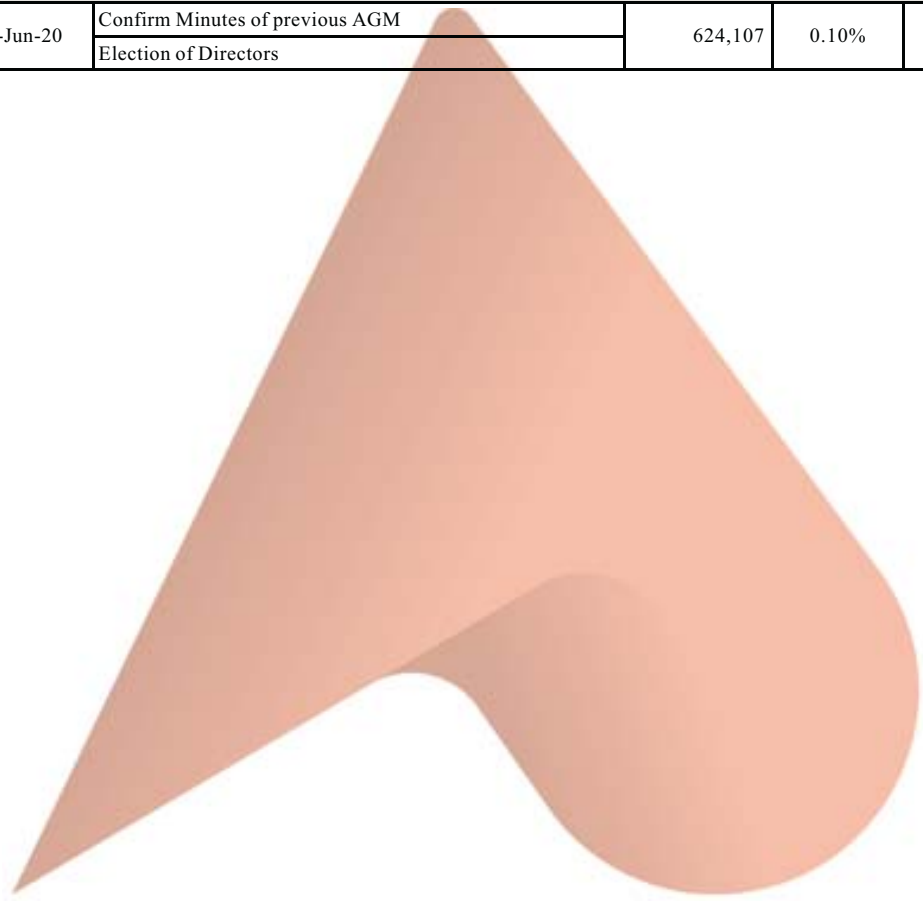
The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Stock Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
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Engro Polymer & Chemicals Limited							
EOGM	3-Feb-20	Approval of Annual Accounts of the Company	1,179,500	0.13%	P		
		Declaration of Dividend					

Sui Northern Gas Pipelines Limited							
EOGM	2-Jun-20	Confirm Minutes of previous AGM	624,107	0.10%	P		
		Election of Directors					





**Alfalah
GHP Value Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Value Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Value Fund (AGVF) is to generate stable and consistent returns from a well-diversified portfolio consisting of high quality equity and debt securities.

Accomplishment of Objective

The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

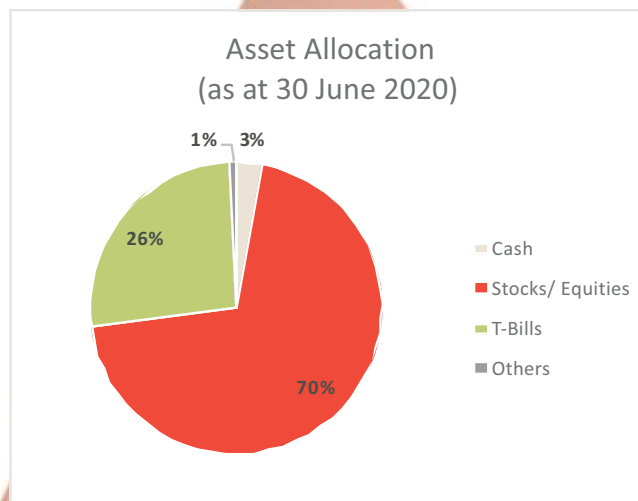
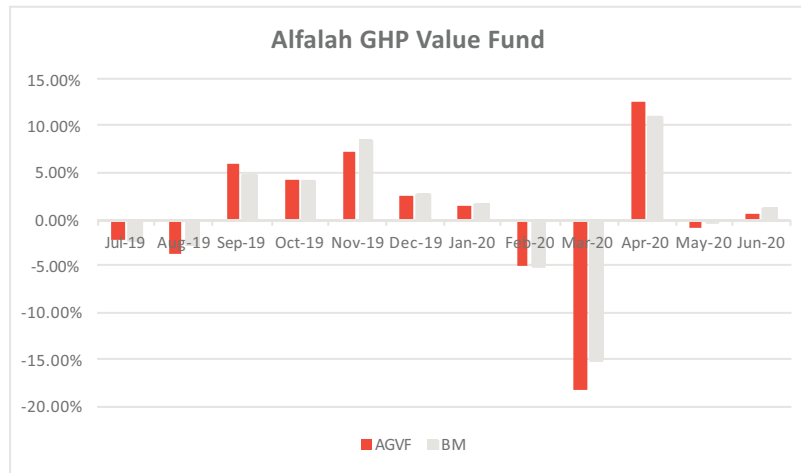
However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.

Fund Performance

During FY20, AGVF underperformed its benchmark with a return of 0.94% versus the benchmark return of 5.82% during the same period.

Average exposure of the fund during the year stood at 58.2%. Fund remained invested in index heavy sectors (Banking, E&P and Ferts.) as they presented attractive valuation. While on the fixed income portion fund was invested in high yield TFC's and Sukuks to gain higher yield.



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
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URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP VALUE FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 25, 2020



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of Alfalah GHP Value Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Value Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	<p>Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 526.02 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> ▪ Tested the design and operating effectiveness of the key controls for valuation of investments; ▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2020

	Note	2020	2019
----- (Rupees) -----			
Assets			
Bank balances	4	16,747,348	295,524,754
Investments	5	839,889,075	973,247,012
Security deposits	6	2,600,000	2,600,000
Receivable against sale of investments - net		-	19,632,139
Dividend and other receivables	7	1,862,000	14,453,984
Total assets		861,098,423	1,305,457,889
Liabilities			
Payable to the Management Company	8	11,747,580	12,950,755
Payable to the Trustee	9	155,074	298,642
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	205,882	1,651,174
Payable against purchase of investments		1,699,286	-
Accrued expenses and other liabilities	11	15,215,203	14,032,528
Total liabilities		29,023,025	28,933,099
Net assets attributable to the unit holders		832,075,398	1,276,524,790
Unit holders' fund (as per statement attached)		832,075,398	1,276,524,790
Contingencies and commitments	12		
----- (Number of units) -----			
Number of units in issue		16,652,076	25,236,296
----- (Rupees) -----			
Net asset value per unit		49.9683	50.5829

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Income			
Profit / mark-up income	13	59,871,723	72,023,985
Dividend income		33,426,527	57,162,837
Loss on sale of investments - net		(8,299,985)	(110,831,605)
Unrealised loss on revaluation of investments classified as financial assets at fair value through profit or loss' - net	5.9	(29,519,083)	(108,139,177)
Total income / (loss)		<u>55,479,182</u>	<u>(89,783,960)</u>
Expenses			
Remuneration of the Management Company	8.1	20,572,300	34,761,503
Sindh sales tax on remuneration of the Management Company	8.2	2,676,762	4,518,984
Allocated expenses	8.4	1,018,977	1,738,064
Selling and marketing expenses	8.5	6,585,117	6,952,262
Remuneration of the Trustee	9.1	1,895,240	2,738,180
Sindh sales tax on remuneration of the Trustee	9.2	257,249	355,966
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10	205,906	1,651,174
Brokerage expense and capital value tax		2,281,539	3,046,197
Bank and settlement charges		526,864	676,354
Auditors' remuneration	14	755,483	755,550
Fees and subscriptions		166,621	172,043
Printing charges		30,012	35,037
Provision for Sindh Workers Welfare Fund		370,143	-
Total expenses		<u>37,342,213</u>	<u>57,401,314</u>
Net income / (loss) for the year before taxation		<u>18,507,112</u>	<u>(147,185,274)</u>
Taxation	17	-	-
Net income / (loss) for the year after taxation		<u>18,507,112</u>	<u>(147,185,274)</u>
Allocation of net income for the year			
Net income for the year after taxation		18,136,969	-
Income already paid on units redeemed		(465,600)	-
		<u>17,671,369</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gain		-	-
- Excluding capital gain		17,671,369	-
		<u>17,671,369</u>	<u>-</u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

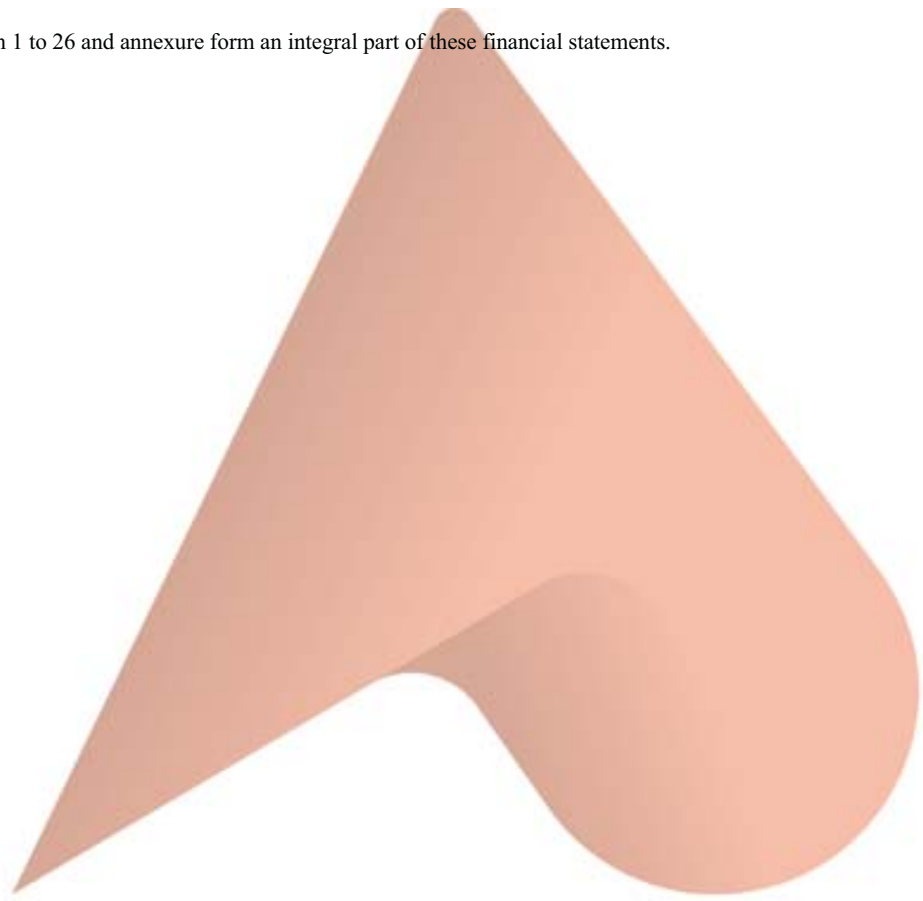
Chief Financial Officer

Director

ALFALAH GHP VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income / (loss) for the year after taxation	18,507,112	(147,185,274)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>18,507,112</u>	<u>(147,185,274)</u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital Value	Undistributed income / (accumulated loss)	Total	Capital Value	Undistributed income / (accumulated loss)	Total
	----- Rupees -----			----- Rupees -----		
Net assets at the beginning of the year	1,330,004,930	(53,480,140)	1,276,524,790	1,818,870,505	318,496,350	2,137,366,855
Issuance of 1,959,968 units (2019: 12,838,584 units)						
- Capital value (at net asset value per unit at the beginning of the year)	99,140,863	-	99,140,863	712,061,247	-	712,061,247
- Element of income / (loss)	9,080,494	-	9,080,494	(8,252,379)	-	(8,252,379)
Total proceeds on issuance of units	108,221,357	-	108,221,357	703,808,868	-	703,808,868
Redemption of 10,544,188 units (2019: 22,086,344 units)						
- Capital value (at net asset value per unit at the beginning of the year)	533,355,606	-	533,355,606	1,224,966,085	-	1,224,966,085
- Element of loss / (income)	19,114,156	465,600	19,579,756	(32,291,642)	-	(32,291,642)
Total payments on redemption of units	552,469,762	465,600	552,935,362	1,192,674,443	-	1,192,674,443
Total comprehensive income / (loss) for the year	-	18,136,969	18,136,969	-	(147,185,274)	(147,185,274)
Bonus distribution for the year ended June 30, 2018 @ Rs. 6.5187 per unit on July 2, 2018	-	-	-	-	(224,791,216)	(224,791,216)
Final distribution for the year ended June 30, 2020 @ Rs. 1.0896 per unit on June 30, 2020	(200,987)	(17,671,369)	(17,872,356)	-	-	-
Net assets at the end of the year	885,555,538	(53,480,140)	832,075,398	1,330,004,930	(53,480,140)	1,276,524,790
	(Rupees)			(Rupees)		
Undistributed income / (accumulated loss) brought forward						
- Realised income		54,659,037			391,136,500	
- Unrealised (loss) / income		(108,139,177)			(72,640,150)	
		(53,480,140)			318,496,350	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		17,671,369			-	
		17,671,369			-	
Total comprehensive loss for the year		-			(147,185,274)	
Bonus distribution for the year ended June 30, 2018 @ Rs. 6.5187 per unit on July 2, 2018		-			(224,791,216)	
Final Distribution For the year ended June 30, 2020 @ Rs. 1.0896 per unit on June 30, 2020		(17,671,369)			-	
Undistributed income / (accumulated loss) carried forward		(53,480,140)			(53,480,140)	
Undistributed income / (accumulated loss) carried forward						
- Realised (loss) / income		(23,961,057)			54,659,037	
- Unrealised loss		(29,519,083)			(108,139,177)	
		(53,480,140)			(53,480,140)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			50.5829			70.4655
Net asset value per unit at the end of the year			49.9683			50.5829

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		18,136,969	(147,185,274)
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		29,519,083	108,139,177
Provision for Sindh Workers Welfare Fund		370,143	-
		<u>48,026,195</u>	<u>(39,046,097)</u>
Decrease / (increase) in assets			
Investments - net		243,621,504	663,708,416
Dividend and other receivables		12,591,984	(6,291,634)
Receivable against sale of investments		19,632,139	(18,850,913)
		<u>275,845,627</u>	<u>638,565,869</u>
Increase / (decrease) in liabilities			
Payable to the Management Company		(1,203,175)	(3,648,211)
Payable to the Trustee		(143,568)	(78,866)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		(1,445,292)	(584,952)
Payable against purchase of investments		1,699,286	-
Accrued expenses and other liabilities		812,532	139,092
		<u>(280,217)</u>	<u>(4,172,937)</u>
Net cash generated from operating activities		<u>323,591,605</u>	<u>595,346,835</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		(17,671,369)	-
Amount received against issuance of units		108,020,370	479,017,652
Payments made against redemption of units		(552,935,362)	(1,192,674,443)
Net cash used in financing activities		<u>(462,586,361)</u>	<u>(713,656,791)</u>
Net decrease in cash and cash equivalents during the year		<u>138,994,756</u>	<u>(118,309,956)</u>
Cash and cash equivalents at the beginning of the year		295,524,754	413,834,710
Cash and cash equivalents at the end of the year	15	<u><u>156,529,998</u></u>	<u><u>295,524,754</u></u>

The annexed notes from 1 to 26 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Value Fund is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited, (the Trustee). The Trust Deed was executed on May 19, 2005 and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), on May 13, 2005. The SECP approved the first Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. NBFC/RS/AGIML/AGVF/200/2010 dated March 18, 2010 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alfalah GHP Value Fund.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as an 'asset allocation scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in equity, debt and money market securities. The investment policy and objectives are explained in the Fund's offering document.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ (positive outlook) dated August 9, 2019 to the Management Company.

Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other new standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follow:

- i. Classification and valuation of Investments (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.6 and 17)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'financial assets at fair value through profit or loss' which are measured at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI) or;
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as fair value through profit or loss (FVPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

3.7 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Revenue recognition

- Gain or loss on sale of investments are recorded in the Income Statement on the date on which the transaction takes place.
- Profit on saving account with banks is recognised on a time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates, term finance certificates and government securities is recognised on time proportion basis using the effective yield except for the securities which are classified as non-performing asset under Circular No. 33 of 2012 issued by the SECP for which the profits / income are recorded on receipt basis.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2020	2019
		----- (Rupees) -----	
In saving accounts	4.1	16,747,348	295,524,754
		<u>16,747,348</u>	<u>295,524,754</u>

4.1 The rate of return on these accounts ranges from 6.50% to 8% (2019: 5.30% to 13.60%) per annum. These include Rs 14.827 million (2019: Rs 291.12 million) maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS

At fair value through profit or loss

Listed equity securities	5.1	555,326,830	622,464,074
Market Treasury Bills	5.2	208,290,663	-
Term finance certificates	5.3	76,263,916	106,425,568
Listed real estate investment trust units	5.4	7,666	7,160
Pakistan Investment Bonds	5.5	-	44,401,710
Sukuk certificates	5.6	-	199,948,500
Commercial papers	5.7	-	-
		<u>839,889,075</u>	<u>973,247,012</u>

5.1 Listed equity securities - at fair value through profit or loss

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the investee company	As at July 01, 2019	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Unrealized gain / (loss)	Net assets of the fund	Total market value of investments	
						----- (Rupees) -----					
Fertilizer											
Engro Corporation Limited	194,180	85,500	-	146,800	132,880	38,208,873	38,923,210	714,337	4.68%	4.63%	0.02%
Engro Fertilizer Limited	473,500	233,500	-	404,000	303,000	20,432,461	18,264,840	(2,167,621)	2.20%	2.17%	0.02%
Fauji Fertilizer Company Limited	340,000	177,500	-	328,100	189,400	18,847,670	20,832,106	1,984,436	2.50%	2.48%	0.01%
						77,489,004	78,020,156	531,152	9.38%	9.28%	
Chemicals											
I.C.I. Pakistan Limited	30	7,100	-	-	7,130	5,009,474	4,953,282	(56,192)	0.60%	0.59%	0.01%
Descon Oxychem Limited	-	88,000	-	-	88,000	2,524,840	2,626,800	101,960	0.32%	0.31%	0.01%
Engro Polymer and Chemicals Limited	876,000	368,000	-	973,500	270,500	7,258,980	6,757,119	(501,861)	0.81%	0.80%	0.03%
Ittehad Chemicals Limited	-	15,000	-	-	15,000	397,282	395,250	(2,032)	0.05%	0.05%	0.02%
Lotte Chemical Pakistan Limited	-	220,000	-	-	220,000	2,361,490	2,189,000	(172,490)	0.26%	0.26%	0.01%
Sitara Peroxide Limited	-	128,500	-	-	128,500	2,519,985	2,622,685	102,700	0.32%	0.31%	0.23%
						20,072,051	19,544,136	(527,915)	2.36%	2.32%	
Inv. Banks / Inv. Cos. / Securities Cos.											
Dawood Hercules Corporation Limited	-	58,000	-	8,500	49,500	7,881,957	6,332,040	(1,549,917)	0.76%	0.75%	0.01%
						7,881,957	6,332,040	(1,549,917)	0.76%	0.75%	
Commercial banks											
Allied Bank Limited	102,200	27,500	-	73,700	56,000	5,297,377	4,288,480	(1,008,897)	0.52%	0.51%	0.00%
Bank Al-Falah Limited (a related party)	1,008,500	83,000	-	719,500	372,000	16,292,537	12,488,040	(3,804,497)	1.50%	1.49%	0.02%
Bank Al-Habib Limited	254,000	115,500	-	162,000	207,500	15,986,990	10,852,250	(5,134,740)	1.30%	1.29%	0.02%
Faysal Bank Limited	7,000	88,000	-	-	95,000	1,329,355	1,323,350	(6,005)	0.16%	0.16%	0.01%
Habib Bank Limited	236,000	254,200	-	211,700	278,500	33,571,244	26,978,295	(6,592,949)	3.24%	3.21%	0.02%
National Bank of Pakistan	-	272,000	-	170,500	101,500	3,643,985	2,806,475	(837,510)	0.34%	0.33%	0.00%
MCB Bank Limited	150,100	150,100	-	-	300,200	17,791,319	16,567,282	(1,224,037)	1.99%	1.97%	0.03%
Meezan Bank Limited	228,030	105,500	-	278,500	55,030	4,613,737	3,788,816	(824,921)	0.46%	0.45%	0.00%
United Bank Limited	208,500	196,500	-	170,000	235,000	32,344,488	24,289,600	(8,054,888)	2.92%	2.89%	0.02%
The Bank of Punjab Limited	1,556,000	658,000	-	958,000	1,256,000	11,505,668	10,550,400	(955,268)	1.27%	1.26%	0.05%
						142,376,700	113,932,988	(28,443,712)	13.70%	13.56%	
Balance carried forward						247,819,712	217,829,320	(29,990,392)			

Name of the investee company	As at July 01, 2019	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Unrealized gain / (loss)	Net assets of the fund	Total market value of investments	
						-----Number of shares-----			----- (Rupees) -----		
Balance brought forward						247,819,712	217,829,320	(29,990,392)			
Cement											
D.G Khan Cement Company Limited	4,000	441,000	-	340,000	105,000	8,074,036	8,959,650	885,614	1.08%	1.07%	0.02%
Lucky Cement Limited	29,850	92,500	-	66,400	55,950	24,278,501	25,825,401	1,546,900	3.10%	3.07%	0.02%
Kohat Cement Limited	35,700	65,500	-	49,500	51,700	5,558,061	7,106,165	1,548,104	0.85%	0.85%	0.03%
Fauji Cement Company Limited	-	240,000	-	236,000	4,000	73,629	67,520	(6,109)	0.01%	0.01%	0.00%
Cherat Cement Company Limited	-	144,500	-	87,500	57,000	3,812,876	4,968,690	1,155,814	0.60%	0.59%	0.03%
Attock Cemet (Pakistan) Limited	-	53,000	-	23,000	30,000	3,686,015	3,738,900	52,885	0.45%	0.45%	0.02%
Pioneer Cement	-	106,000	-	29,000	77,000	3,361,008	4,854,080	1,493,072	0.58%	0.58%	0.03%
Maple Leaf Cement Company Limited	30,600	1,085,709	-	786,000	330,309	7,895,851	8,581,428	685,577	1.03%	1.02%	0.03%
						56,739,977	64,101,834	7,361,857	7.70%	7.64%	
Power generation and distribution											
Hub Power Company Limited	609,591	248,500	-	394,000	464,091	38,227,523	33,646,598	(4,580,925)	4.04%	4.01%	0.04%
K Electric Limited (Face Value of Rs. 3.5)	-	1,058,500	-	136,000	922,500	3,800,890	2,776,725	(1,024,165)	0.33%	0.33%	0.00%
Kot Addu Power Company Limited	555,000	198,000	-	749,000	4,000	140,668	80,600	(60,068)	0.01%	0.01%	0.00%
						42,169,081	36,503,923	(5,665,158)	4.38%	4.35%	
Oil and gas marketing companies											
Pakistan State Oil Company Limited	81,600	137,420	-	146,400	72,620	11,677,917	11,485,579	(192,338)	1.38%	1.37%	0.02%
Hascal Petroleum Limited	6,066	403,499	-	153,000	256,565	3,809,531	3,489,284	(320,247)	0.42%	0.42%	0.03%
Sui Northern Gas Pipelines Limited	130,100	219,500	-	187,000	162,600	10,366,559	8,877,960	(1,488,599)	1.07%	1.06%	0.03%
						25,854,007	23,852,823	(2,001,184)	2.87%	2.85%	
Oil and gas exploration companies											
Mari Petroleum Company Limited	38,809	20,890	-	32,920	26,779	26,249,559	33,116,250	6,866,691	3.98%	3.94%	0.02%
Oil and Gas Development Company Limited	323,500	307,700	-	387,500	243,700	27,982,405	26,563,300	(1,419,105)	3.19%	3.16%	0.01%
Pakistan Oilfields Limited	42,170	36,600	-	42,400	36,370	14,155,743	12,752,413	(1,403,330)	1.53%	1.52%	0.01%
Pakistan Petroleum Limited	273,530	442,626	-	457,600	258,556	26,611,388	22,437,490	(4,173,898)	2.70%	2.67%	0.01%
						94,999,095	94,869,453	(129,642)	11.40%	11.29%	
Automobile assembler											
Pak Suzuki Motor Company Limited	100	-	-	-	100	22,896	16,183	(6,713)	0.00%	0.00%	0.00%
Millat Tractors Limited	1,560	695	-	-	2,255	1,695,313	1,592,391	(102,922)	0.19%	0.19%	0.00%
Honda Atlas Cars (Pakistan) Limited	-	15,500	-	-	15,500	3,287,290	3,002,040	(285,250)	0.36%	0.36%	0.01%
Indus Motor Company Limited	90	-	-	-	90	108,353	89,549	(18,804)	0.01%	0.01%	0.00%
						5,113,852	4,700,163	(413,689)	0.56%	0.56%	
Automobile parts and accessories											
Thal Limited (Face Value of Rs. 5)	50	27,600	-	-	27,650	9,539,355	8,984,591	(554,764)	1.08%	1.07%	0.09%
						9,539,355	8,984,591	(554,764)	1.08%	1.07%	
Textile composite											
Gul Ahmed Textile Mills Limited	225,800	197,260	-	21,500	401,560	16,312,782	11,496,663	(4,816,119)	1.38%	1.37%	0.09%
Nishat Mills Limited	148,500	140,500	-	148,500	140,500	13,457,406	10,960,405	(2,497,001)	1.32%	1.30%	0.04%
Interloop Limited	147,375	60,000	-	95,500	111,875	5,216,468	4,913,550	(302,918)	0.59%	0.59%	0.01%
Nishat Chunian Limited	100,500	83,500	-	184,000	-	-	-	-	-	-	-
Kohinoor Textile Mills Limited	1,302	171,000	-	-	172,302	7,331,325	6,118,444	(1,212,881)	0.74%	0.73%	0.06%
						42,317,981	33,489,062	(8,828,919)	4.03%	3.99%	
Food and personal care products											
At-Tahur Limited	264	117,526	-	2,500	115,290	2,026,928	1,986,447	(40,481)	0.24%	0.24%	0.07%
Fauji Foods Limited	-	275,000	-	2,000	273,000	2,688,390	2,579,850	(108,540)	0.31%	0.31%	0.05%
Frieslandcampins Engro Foods Limited	-	24,000	-	-	24,000	1,436,765	1,764,240	327,475	0.21%	0.21%	0.00%
						6,152,083	6,330,537	178,454	0.76%	0.76%	
Engineering											
International Industries limited	21,500	167,300	-	143,900	44,900	4,550,390	4,118,677	(431,713)	0.49%	0.49%	0.03%
International Steels Limited	9,000	403,000	-	330,500	81,500	4,117,369	4,209,475	92,106	0.51%	0.50%	0.02%
Mughal Iron and Steel Industries Limited	500	284,500	-	84,000	201,000	8,075,017	8,015,880	(59,137)	0.96%	0.95%	0.05%
						16,742,776	16,344,032	(398,744)	1.96%	1.94%	
Pharmaceuticals											
AGP Limited	-	43,500	-	10,000	33,500	3,177,776	3,676,290	498,514	0.44%	0.44%	0.01%
GlaxoSmithKline (Pakistan) Limited (a related party)	-	11,700	-	-	11,700	1,763,108	2,036,736	273,628	0.24%	0.24%	0.00%
Hignoon Laboratories Limited	-	8,800	-	-	8,800	4,034,500	4,411,264	376,764	0.53%	0.53%	0.03%
The Searle Company Limited	3,606	64,000	-	34,000	33,606	6,112,988	6,695,323	582,335	0.80%	0.80%	0.02%
						15,088,372	16,819,613	1,731,241	2.01%	2.01%	
Balance carried forward						562,536,291	523,825,351	(38,710,940)			

Name of the investee company	As at July 01, 2019	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Unrealized gain / (loss)	Net assets of the fund	Total market value of investments	
						Number of shares			(Rupees)		
Balance brought forward						562,536,291	523,825,351	(38,710,940)			
Miscellaneous											
Synthetic Products Enterprises Limited	17,700	-	708	-	18,408	392,763	765,405	372,642	0.09%	0.09%	0.02%
						392,763	765,405	372,642	0.09%	0.09%	
Technology & Communication											
Systems Limited	122,650	68,500	-	71,600	119,550	12,635,694	21,958,944	9,323,250	2.64%	2.61%	0.10%
						12,635,694	21,958,944	9,323,250	2.64%	2.61%	
Paper & Board											
Century Paper and Board Mills	-	52,000	-	-	52,000	3,152,915	3,721,640	568,725	0.45%	0.44%	0.04%
						3,152,915	3,721,640	568,725	0.45%	0.44%	
Vanaspati & Allied											
Unity Foods Limited	-	223,000	-	-	223,000	2,308,565	2,486,450	177,885	0.30%	0.30%	0.04%
						2,308,565	2,486,450	177,885	0.30%	0.30%	
Transport											
Pakistan National Shipping Corporation Limited	-	34,000	-	-	34,000	2,632,000	2,569,040	(62,960)	0.31%	0.31%	0.03%
						2,632,000	2,569,040	(62,960)	0.31%	0.31%	
As at June 30, 2020						<u>583,658,228</u>	<u>555,326,830</u>	<u>(28,331,398)</u>			
As at June 30, 2019						<u>728,230,845</u>	<u>622,464,074</u>	<u>(105,766,771)</u>			

5.1.1 The above investments include shares having a market value (in aggregate) amounting to Rs 35.262 million (2019: Rs 42.537 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of investee Company	2020	2019	2020	2019
	Number of shares		Market Value (Rupees)	
Oil and Gas Development Company Limited	180,000	323,500	35,261,500	42,537,015
			<u>35,261,500</u>	<u>42,537,015</u>

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgement whereby the suits which were already pending or were to be filed in future could only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to continue. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at June 30, 2020, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of investee Company	2020		2019	
	Bonus Shares		Bonus Shares	
	Number	Market value (Rupees)	Number	Market value (Rupees)
Hascol Petroleum Limited	3,826	52,034	3,826	262,526
Kohinoor Textile Mills Limited	1,260	44,743	1,260	31,563
Mari Petroleum Company Limited	59	72,962	59	59,550
The Searle Company Limited	3,179	633,352	3,179	465,914
Synthetic Products Enterprises Limited	1,295	53,838	1,245	27,627
	1,920	303,667	1,920	325,690
Faysal Bank Limited	5,100	71,043	5,100	109,752
		<u>1,231,639</u>		<u>1,282,622</u>

5.2 Market Treasury Bills - at fair value through profit or loss

Particulars	Face Value			As at June 30, 2020			Market value as a percentage of		
	As at July 01, 2019	Purchased during the year	Sold / Matured during the year	As at June 30, 2020	Carrying value	Market value	Unrealized gain / (loss)	net assets of the Fund	total market value of investments
	----- (Rupees) -----								
Market Treasury Bills - 3 months	-	1,428,000,000	1,288,000,000	140,000,000	139,747,868	139,782,650	34,782	16.80%	16.64%
Market Treasury Bills - 12 months	-	593,000,000	523,000,000	70,000,000	67,384,151	68,508,013	1,123,862	8.23%	8.16%
Total as at June 30, 2020	-	2,021,000,000	1,811,000,000	210,000,000	207,132,019	208,290,663	1,158,644		
Total as at June 30, 2019		1,012,000,000	1,012,000,000	-	-	-	-		

5.2.1 These carry purchase yield of 8.24% to 13.34% (2019: nil). These have maturity upto October 22, 2020 (2019: nil).

5.3 Term finance certificates - at fair value through profit or loss

Term finance certificates

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying cost as at June 30, 2020	Market value as at June 30, 2020	Unrealized gain / (loss)	Market value as a percentage of		Investment as a percentage of issue size
											net assets of the Fund	total market value of investment	
	----- (Number of certificates) -----												
	----- (Rupees) -----												
The Bank Of Punjab Kibor + 1.00%	6 Month	Unsecured	December 23, 2026	900	-	264	636	62,891,481	62,317,440	(574,041)	7.49%	7.42%	2.49%
The Bank Of Punjab Kibor + 1.25%	6 Month	Unsecured	April 23, 2028	160	-	-	160	15,719,270	13,946,476	(1,772,794)	1.68%	1.66%	0.32%
TLP Corp Limited	3 Month Kibor + 1.50%	Secured	December 19, 2019	50	-	50	-	-	-	-	-	-	-
AgriTech Limited (refer note 5.3.1)				1,141	-	-	1,141	-	-	-	-	-	-
Total as at June 30, 2020								78,610,751	76,263,916	(2,346,835)			
Total as at June 30, 2019								107,064,740	106,425,568	(639,172)			

5.3.1 This represents additional TFCs of Agritech Limited (Formerly Pak American Fertilizer Limited) received by the Fund through restructuring agreement reached between lender and Agritech Limited. Under such agreement, outstanding mark-up due on May 29, 2011 amounting to Rs. 7.61 million was settled in the form of zero coupon TFCs valuing Rs. 7.61 million. This investment has been recorded as 100% impaired since these securities have been received in lieu of suspended overdue mark-up to be recognised in income upon realisation.

5.4 Listed real estate investment trust units - at fair value through profit or loss

Name of the investee company	As at July 01, 2019	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of		Holding as a percentage of paid up capital of the investee company
						Carrying value	Market value	Unrealized gain / (loss)	net assets of the Fund	total market value of investments	

----- (Number of units) ----- (Rupees) -----

Dolmen City REIT (face value of Rs.10 each)	704	-	-	-	704	7,160	7,666	507	0.00%	0.00%	0.00%
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As at June 30, 2020						<u>7,160</u>	<u>7,666</u>	<u>507</u>			
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As at June 30, 2019						<u>9,082</u>	<u>7,160</u>	<u>(1,922)</u>			
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5.5 Pakistan Investment Bonds - at fair value through profit or loss

Particulars	Face Value				As at June 30, 2020			Market value as a percentage of	
	As at July 01, 2019	Purchased during the year	Sold / Matured during the year	As at June 30, 2020	Carrying value	Market value	Unrealized loss on revaluation	net assets of the Fund	total market value of investments

----- (Rupees) -----

Pakistan Investment Bonds - 03 years	50,000,000	250,000,000	300,000,000	-	-	-	-	-	-
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Total as at June 30, 2020	-	250,000,000	300,000,000	-	-	-	-	-	-
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Total as at June 30, 2019	-	150,000,000	100,000,000	50,000,000	44,623,362	44,401,710	(221,652)		
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5.6 Sukuk certificates - at fair value through profit or loss

Name of the investee company	Yield per annum	Secured / Unsecured	Maturity date	As at July 01, 2019	Purchased during the year	Matured / sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealized gain / (loss)	Market value as a percentage of		Investment as a percentage of issue size
											net assets of the Fund	total market value of investment	

----- (Number of certificates) ----- (Rupees) -----

Dawood Hercules Corporation Limited	3 Month Kibor + 1.00%	Secured	March 1, 2023	600	-	600	-	-	-	-	-	-	-
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International Brands Limited	12 Month Kibor + 0.50%	Secured	November 15, 2021	1,430	-	1,430	-	-	-	-	-	-	-
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Total as at June 30, 2020								<u>-</u>	<u>-</u>	<u>-</u>			
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Total as at June 30, 2019								<u>201,458,160</u>	<u>199,948,500</u>	<u>(1,509,660)</u>			
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5.7 Commercial papers - at fair value through profit and loss

Name of the investee company	Maturity date	Rate of Return per annum	As at July 01, 2019	Purchased during the period	Matured / sold during the period	As at June 30, 2020	Balance as at June 30, 2020			Market value as percentage of net assets	Market value as percentage of total investments
							Carrying Value	Market Value	Unrealised gain / (loss)		
							----- No. of Certificates ----- Rupees -----				
The Hub Power Company Limited	March 26, 2020	3 month Kibor +1%	50	-	50	-	-	-	-	-	-
Total as at June 30, 2020							-	-	-		
Total as at June 30, 2019							-	-	-		

5.8 Non compliant investments

Name of non compliant investment	Note	Type of investment	Value of Investment before provision	Provision balance as on July 01, 2019	Provision during the year	Provision balance as on June 30, 2020	Value of investment after provision	Fair value as a percentage of:	
								Net assets	Gross assets
----- (Rupees) -----									
Agritech Limited (IV issue)	5.8.1	Term finance certificates	5,705,000	(5,705,000)	-	(5,705,000)	-	-	-
The Bank Of Punjab		Listed Equity securities and Term Finance Certificates	86,814,316	-	-	-	86,814,316	10.43%	10.08%

5.8.1 At the time of purchase / investment, the Term Finance Certificates were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules. However, subsequently they were defaulted or downgraded upon default to non investment grade and became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirements of the Constitutive Documents. Disclosure of the non-compliance is made as required by Circular No. 16 of 2010 dated July 07, 2010 issued by the SECP.

5.9 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

Note

2020

2019

----- (Rupees) -----

Market value of investments	839,889,075	973,247,012
Less: Carrying value of investments	(869,408,158)	(1,081,386,189)
	(29,519,083)	(108,139,177)

6 SECURITY DEPOSITS

Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)	2,500,000	2,500,000
	2,600,000	2,600,000

7 DIVIDEND AND OTHER RECEIVABLES

Dividend receivable		99,000	185,574
Mark-up / return receivable on:			
- Bank balances		44,481	1,166,345
- Term finance certificates		403,052	994,869
- Sukuk certificates		-	10,245,412
- Pakistan Investment Bonds		-	1,666,467
Advance tax	7.1	195,317	195,317
Security Margin with NCCPL		1,120,150	-
		1,862,000	14,453,984

- 7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2020, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs 0.195 million (2019: Rs 0.195 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8 PAYABLE TO THE MANAGEMENT COMPANY	Note	2020	2019
		----- (Rupees) -----	
Management remuneration payable	8.1	1,368,885	2,216,057
Sindh sales tax payable on management remuneration	8.2	795,017	904,200
Federal excise duty payable on management remuneration	8.3	5,888,310	5,888,310
Payable against allocated expenses	8.4	303,310	747,227
Payable against selling and marketing expenses	8.5	3,185,988	2,988,891
Sales load payable		<u>206,070</u>	<u>206,070</u>
		<u>11,747,580</u>	<u>12,950,755</u>

- 8.1 The Management Company has charged remuneration at the rate of 2% (2019: 2%) of the average net assets of the Fund during the year ended June 30, 2020. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 8.2 During the year, an amount of Rs. 2.677 million (2019: Rs. 4.519 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 2.786 million (2019: Rs. 4.7 million) has been paid to the Management Company which acts as a collecting agent.
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 5.89 million has been retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.35 (2019: Re 0.23).

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The Management Company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 8.5 The SECP allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the current year, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to the Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the Management Company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

9	PAYABLE TO THE TRUSTEE	Note	2020	2019
		----- (Rupees) -----		
	Trustee remuneration payable	9.1	136,788	273,457
	Sindh sales tax payable on Trustee remuneration	9.2	18,286	25,185
			<u>155,074</u>	<u>298,642</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Effective from July 1, 2019, the Trustee has revised its tariff as follows:

Existing Tariff		Revised Tariff (Flat Rate)
Net Assets (Rs.)	Fee	
- up to Rs. 1 billion	Rs. 0.7 million or 0.20% p.a. of Net Assets whichever is higher.	0.20% p.a. of Net Assets
- over Rs. 1 billion	Rs. 2.0 million plus 0.10% p.a. of Net Assets exceeding Rs. 1 billion.	Rs. 2 million plus 0.20% p.a. of Net Assets on amount exceeding Rs. 1 billion.

Accordingly, the Fund has charged Trustee remuneration at revised tariff during the current year and an amount of Rs 1.9 million has been recorded in the income statement.

9.2 During the year, an amount of Rs 0.257 million (2019: Rs. 0.356 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.264 million (2019: Rs. 0.365 million) was paid to the Trustee which acts as a collecting agent.

10	ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)	Note	2020	2019
		----- (Rupees) -----		
	Annual fee payable to the SECP	10.1	205,882	1,651,174

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to the Fund was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current year.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2020	2019
		----- (Rupees) -----		
	Provision for Sindh Workers' Welfare Fund (SWWF)	11.1	12,410,481	12,040,338
	Auditors' remuneration payable		665,742	577,591
	Withholding tax payable		476,646	477,378
	Brokerage expense payable		934,450	276,387
	Sales load payable		147,700	147,290
	Printing charges		99,126	94,302
	Rating fee payable		360,928	216,283
	Settlement charges		48,192	116,389
	Capital value tax		15,381	2,356
	Others		56,557	84,214
			<u>15,215,203</u>	<u>14,032,528</u>

11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value per unit of the Fund as at June 30, 2020 would have been higher by Re. 0.75 (2019: Re 0.48).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

13 PROFIT / MARK-UP INCOME	Note	2020	2019
		----- (Rupees) -----	
Profit / mark-up on:			
- Market Treasury Bills		19,567,030	4,885,336
- Term Finance certificates		12,626,856	9,292,299
- Sukuk certificates		12,383,324	16,656,993
- Term deposit receipts		-	7,691,108
- Pakistan Investment Bonds		1,408,407	827,309
- Commercial papers		3,529,232	-
- Bank balances		10,321,470	32,670,940
- Other Income		35,404	-
		<u>59,871,723</u>	<u>72,023,985</u>
14 AUDITORS' REMUNERATION			
Audit fee		400,000	400,000
Review and other certifications		227,000	227,000
Out of pocket expenses		72,521	72,583
Sindh sales tax		55,962	55,967
		<u>755,483</u>	<u>755,550</u>
15 CASH AND CASH EQUIVALENTS			
Bank balances	4	16,747,348	295,524,754
Market Treasury Bills (with original maturity of 3 months or less)	5.2	<u>139,782,650</u>	-
		<u>156,529,998</u>	<u>295,524,754</u>

16 TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 3.63% which includes 0.48% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

18.1 Unit holders' fund

2020										
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020
Note	(Units)				(Rupees)					
Other related parties										
Bank Alfalah Limited - Employees										
Provident Fund	18.1.1	3,147,311	68,900		3,216,211	159,200,126		3,442,824		160,708,596
MAB Investment Incorporated	18.1.1	2,291	43		2,334	115,883		2,129		116,626
Key management personnel										
Head of Corporate Sales	18.1.1	4,625	71		4,696	233,948		3,538		234,651
Chief Executive Officer	18.1.1	15,859	295		16,154	802,192		14,737		807,186

2019										
	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvested	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019
	(Units)				(Rupees)					
Other related parties										
Bank Alfalah Limited - Employees										
Provident Fund		2,816,302	-	331,009	-	3,147,311	174,558,059	18,358,629	-	159,200,126
MAB Investment Incorporated		2,050	-	241	-	2,291	127,062	13,364	-	115,883
Key management personnel										
Head of Corporate Sales		4,139	-	486	-	4,625	256,543	26,981	-	233,948
Chief Executive Officer		14,191	-	1,668	-	15,859	879,577	92,509	-	802,192
Chief Financial Officer		61	-	7	68	-	3,781	396	3,812	-

18.1.1 This reflects the position of related party / connected party status as at June 30, 2020.

	2020	2019
	(Rupees)	
18.2 Other transactions		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Remuneration of the Management Company	20,572,300	34,761,503
Sindh sales tax on remuneration of the Management Company	2,676,762	4,518,984
Allocated expenses	1,018,977	1,738,064
Selling and marketing expenses	6,585,117	6,952,262
Sales load	82	7,020,253
Alfalah GHP Income Fund		
Term finance certificates - purchased	-	29,592,234
Sukuk certificates - purchased	-	16,784,100
Term finance certificates - sold	12,022,292	-
Pakistan Investment Bonds - sold	22,175,875	-
Market Treasury Bills - purchased	231,196,855	-

	2020	2019
	----- (Rupees) -----	
Alfalah GHP Income Multiplier Fund		
Sukuk certificates - purchased	-	20,733,300
Term finance certificates - purchased	-	14,796,117
Term finance certificates - sold	10,034,406	-
Market Treasury Bills - purchased	43,865,856	-
Alfalah GHP Islamic Income Fund		
Sukuk certificates - purchased	20,000,000	64,174,500
Sukuk - sold	63,351,262	-
Alfalah GHP Sovereign Fund		
Market Treasury Bills - sold	195,848,000	392,822,400
Market Treasury Bills - purchased	503,216,260	141,762,576
Pakistan Investment Bonds - purchased	-	44,834,450
Term finance certificates - sold	3,973,226	-
Alfalah GHP Money Market Fund		
Market Treasury Bills - sold	170,496,590	-
Market Treasury Bills - purchased	9,953,560	-
Alfalah GHP Cash Fund		
Market Treasury Bills - purchased	29,132,190	-
Alfalah GHP Capital Preservation Fund - II		
Market Treasury Bills - sold	17,748,120	-
Bank Alfalah Limited		
Profit on bank balances	6,176,989	7,213,408
Pakistan Investment Bonds - purchased	88,759,175	-
Bank charges	99,307	27,836
Sales load	1,967	596,762
Glaxo Smith Kline Pakistan- Under common Directorship		
Purchase of 11,700 Shares	1,763,108	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,895,240	2,738,180
Sindh sales tax on remuneration of the Trustee	257,249	355,966
Settlement charges	-	182,500
18.3 Other balances		
Associated companies / undertakings		
Alfalah GHP Investment Management Limited - Management Company		
Management remuneration payable	1,368,885	2,216,057
Sindh sales tax payable on management remuneration	795,017	904,200
Payable against allocated expenses	303,310	747,227
Payable against selling and marketing expenses	3,185,988	2,988,891
Federal excise duty payable on management remuneration	5,888,310	5,888,310
Sales load payable	206,070	206,070
Bank Alfalah Limited		
Bank balance	14,827,118	291,120,230
Profit receivable	369	-
Sales load payable	147,700	147,290

	2020	2019
	----- (Rupees) -----	
Glaxo Smith Kline Pakistan- Under common Directorship		
Units held 11,700 units (2019: Nil Units)	2,036,736	-
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	136,788	273,457
Sindh sales tax payable on Trustee remuneration	18,286	25,185
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020 all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	16,747,348	-	16,747,348
Investments	-	839,889,075	839,889,075
Security deposits	2,600,000	-	2,600,000
Dividend and other receivables	1,666,683	-	1,666,683
	<u>21,014,031</u>	<u>839,889,075</u>	<u>860,903,106</u>

Particulars	2020		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	11,747,580	11,747,580
Payable to the Trustee	-	155,074	155,074
Payable against purchase of investments	-	1,699,286	1,699,286
Accrued expenses and other liabilities	-	1,951,768	1,951,768
	<u>-</u>	<u>15,553,708</u>	<u>15,553,708</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
Financial assets			
Bank balances	295,524,754	-	295,524,754
Investments	-	973,247,012	973,247,012
Security deposits	2,600,000	-	2,600,000
Receivable against sale of investments	19,632,139	-	19,632,139
Dividend and other receivables	14,258,667	-	14,258,667
	<u>332,015,560</u>	<u>973,247,012</u>	<u>1,305,262,572</u>

Particulars	2019		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees) -----		
Financial liabilities			
Payable to the Management Company	-	12,950,755	12,950,755
Payable to the Trustee	-	298,642	298,642
Accrued expenses and other liabilities	-	1,246,173	1,246,173
	<u>-</u>	<u>14,495,570</u>	<u>14,495,570</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds and are explained below:

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal risk management policies and investment guidelines established by the Investment Committee and the regulations laid down by the SECP.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits. The interest rate profile of the Fund's interest bearing financial instruments as at June 30, 2020 is as follows:

	2020	2019
	-----Rupees-----	
Variable rate instruments (financial asset)		
Bank balances	16,747,348	295,524,754
Sukuk certificates	-	199,948,500
Term finance certificates	76,263,916	106,425,568
	<u>93,011,264</u>	<u>601,898,822</u>
Fixed rate instruments (financial assets)		
Market Treasury Bills	208,290,663	-
Pakistan Investment Bonds	-	44,401,710
	<u>208,290,663</u>	<u>44,401,710</u>

a) Sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.04 million (2019: Rs. 0.13 million) and consequently statement of movement in unit holder's fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs 0.237 million (2019: Rs. 0.02 million) and consequently statement of movement in unit holder's fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for the financial instruments recognised in the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

2020					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(%)	(Rupees)				
On-balance sheet financial instruments					
Financial assets					
Bank balances	6.50 - 8	16,747,348	-	-	16,747,348
Investments					
- Equity securities and real estate and investment trust units		-	-	555,334,496	555,334,496
- Market Treasury Bills	8.24 - 13.34	139,782,650	68,508,013	-	208,290,663
- Term finance certificates	9.50 - 14.77	76,263,916	-	-	76,263,916
Security deposits		-	-	2,600,000	2,600,000
Dividend and other receivables		-	-	1,666,683	1,666,683
		232,793,914	68,508,013	559,601,179	860,903,106
Financial liabilities					
Payable to the Management Company		-	-	11,747,580	11,747,580
Payable to the Trustee		-	-	155,074	155,074
Payable against purchase of investments		-	-	1,699,286	1,699,286
Accrued expenses and other liabilities		-	-	1,951,768	1,951,768
		-	-	15,553,708	15,553,708
On-balance sheet gap (a)		232,793,914	68,508,013	544,047,471	845,349,398
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		232,793,914	68,508,013	544,047,471	845,349,398
Cumulative interest rate sensitivity gap		232,793,914	301,301,927	301,301,927	
2019					
Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
(%)	(Rupees)				
On-balance sheet financial instruments					
Financial assets					
Bank balances	7.35 - 13.60	295,524,754	-	-	295,524,754
Investments					
- Equity securities and real estate and investment trust units		-	-	622,471,234	622,471,234
- Sukuk certificates	6.97 - 11.03	59,880,000	140,068,500	-	199,948,500
- Term finance certificates	8.02 - 14.42	1,663,320	104,762,248	-	106,425,568
- Pakistan investment bonds	7.25	-	-	44,401,710	44,401,710
Receivable against sale of investments		-	-	2,600,000	2,600,000
Security deposits		-	-	19,632,139	19,632,139
Dividend and other receivables		-	-	14,258,667	14,258,667
Sub total		357,068,074	244,830,748	658,962,040	1,305,262,572
Financial liabilities					
Payable to the Management Company		-	-	12,950,755	12,950,755
Payable to the Trustee		-	-	298,642	298,642
Accrued expenses and other liabilities		-	-	1,246,173	1,246,173
Sub total		-	-	14,495,570	14,495,570
On-balance sheet gap (a)		357,068,074	244,830,748	644,466,470	1,290,767,002
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		357,068,074	244,830,748	644,466,470	1,290,767,002
Cumulative interest rate sensitivity gap		357,068,074	601,898,822	646,300,532	

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investment in equity securities classified as 'at fair value through profit or loss'. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Trust Deed. The NBFC Regulations also limit:

a) Investment in individual equity securities to the lower of:

- 10% of net assets of the Fund or the index weight of the security subject to the limit of 15% percent, whichever is higher; and
- 10% of the issued capital of the investee company

b) Exposure to any one sector upto 30% of the net assets of the Fund or index weight of the security whichever is higher, subject to a maximum of 35%.

In case of 1% increase / decrease in KSE 100 index on June 30, 2020, with all other variables held constant, the net income / loss and the net assets of the Fund would increase / decrease by Rs 5.553 million (2019: Rs 6.225 million) as a result of gains / losses on equity securities classified as 'financial assets at fair value through profit or loss'.

20.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----			
Bank balances	16,747,348	16,747,348	295,524,754	295,524,754
Investments	839,889,075	284,554,579	973,247,012	306,374,068
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Receivable against sale of investments	-	-	19,632,139	19,632,139
Dividend and other receivables	1,666,683	1,666,683	14,258,667	14,258,667
	<u>860,903,106</u>	<u>305,568,610</u>	<u>1,305,262,572</u>	<u>638,389,628</u>

The difference in the balance as per the Statement of Assets and Liabilities and maximum exposure is due to the fact that investments in listed equity securities, listed real estate investment trust units and Government securities of Rs 555.334 million (2019: Rs 666.873 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2020 and June 30, 2019, except as specified in note 5.8 to these financial statements.

20.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, credit exposure arising as a result of dividends receivable on equity securities and investment in term finance certificates and sukuk certificates. Credit risk on dividend receivable is minimal due to statutory protection.

Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Name of Bank	Rating agency	Rating	2020	2019
			Percentage of total bank balance	
Habib Bank Limited	JCR-VIS	A1+	0.05%	0.00%
National Bank of Pakistan	PACRA	A1+	3.65%	0.28%
Bank Alfalah Limited	PACRA	A1+	88.53%	98.51%
Allied Bank Limited	PACRA	A1+	0.28%	0.01%
Bank Al Habib Limited	PACRA	A1+	0.06%	0.00%
JS Bank Limited	PACRA	A1+	2.56%	1.08%
Habib Metropolitan Bank Limited	PACRA	A1+	0.12%	0.01%
Zarai Taraqiati Bank Limited	JCR-VIS	A1+	0.51%	0.03%
Soneri Bank Limited	PACRA	A1+	0.29%	0.02%
Silk Bank Limited	JCR-VIS	A-2	3.93%	0.06%
Central Depository Company	N/A	N/A	0.02%	0.00%
			<u>100%</u>	<u>100%</u>

20.2.3 Investment in debt instruments

The Fund held investments in term finance certificates and sukuk certificates at June 30, 2020 with entities having following credit ratings:

Name of Entity	Rating Agency	Rating	2020	2019
			Percentage of total balance	
Dawood Harcules Corporation Limited	PACRA	AA	-	19.54%
International Brands Limited	JCR-VIS	A	-	45.72%
The Bank Of Punjab	PACRA	AA-	100.00%	34.19%
TPL Corp Limited	PACRA	A1	-	0.54%
			<u>100%</u>	<u>100%</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2020.

20.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	16,747,348	-	-	-	16,747,348
Investments	771,381,062	-	68,508,013	-	839,889,075
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and other receivables	1,666,683	-	-	-	1,666,683
	792,395,093	-	68,508,013	-	860,903,106
Financial liabilities					
Payable to the Management Company	11,747,580	-	-	-	11,747,580
Payable to the Trustee	155,074	-	-	-	155,074
Payable against purchase of investments	1,699,286	-	-	-	1,699,286
Accrued expenses and other liabilities	1,951,768	-	-	-	1,951,768
	15,553,708	-	-	-	15,553,708
Net assets	<u>776,841,385</u>	<u>-</u>	<u>68,508,013</u>	<u>-</u>	<u>845,349,398</u>
2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	295,524,754	-	-	-	295,524,754
Investments	684,014,554	-	244,830,748	44,401,710	973,247,012
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	19,632,139	-	-	-	19,632,139
Dividend and other receivables	14,258,667	-	-	-	14,258,667
	1,016,030,114	-	244,830,748	44,401,710	1,305,262,572
Financial liabilities					
Payable to the Management Company	12,950,755	-	-	-	12,950,755
Payable to the Trustee	298,642	-	-	-	298,642
Accrued expenses and other liabilities	1,246,173	-	-	-	1,246,173
	14,495,570	-	-	-	14,495,570
Net assets	<u>1,001,534,544</u>	<u>-</u>	<u>244,830,748</u>	<u>44,401,710</u>	<u>1,290,767,002</u>

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2020 and June 30, 2019, the Fund held the following financial instruments measured at fair values:

	2020			Total
	Level 1	Level 2	Level 3	
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Investments				
Listed equity securities	555,326,830	-	-	555,326,830
Listed real estate investment trust units	7,666	-	-	7,666
Term finance certificates	-	76,263,916	-	76,263,916
Market Treasury Bills	-	208,290,663	-	208,290,663
	<u>555,334,496</u>	<u>284,554,579</u>	<u>-</u>	<u>839,889,075</u>

	2019			Total
	Level 1	Level 2	Level 3	
Financial assets 'at fair value through profit or loss'	----- (Rupees) -----			
Investments				
Listed equity securities	622,464,074	-	-	622,464,074
Listed real estate investment trust units	7,160	-	-	7,160
Sukuk certificates	-	199,948,500	-	199,948,500
Term finance certificates (TFCs)	-	106,425,568	-	106,425,568
Pakistan Investment Bonds	-	44,401,710	-	44,401,710
	<u>622,471,234</u>	<u>350,775,778</u>	<u>-</u>	<u>973,247,012</u>

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

22 UNIT HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeem and issue unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitor portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure to these financial statements.

24 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

25 GENERAL

25.1 Figures have been rounded off to the nearest rupee.

25.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

25.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	436	7,104,768	355,025,398	43%
Associated Co./ Directors				0%
Insurance Co.				0%
Retirement & Other Funds	19	6,995,897	349,570,000	42%
Others	12	2,551,412	127,480,000	15%
	467	16,652,076	832,075,398	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	519	12,136,074	613,872,843	48%
Associated Co./ Directors	1	15,859	807,153	0%
Insurance Co.	1	449,852	22,754,827	2%
Retirement & Other Funds	25	8,816,556	445,966,969	35%
Others	16	3,817,955	193,122,998	15%
	562	25,236,296	1,276,524,790	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Next Capital Limited	13
Al Habib Capital Markets Limited	12
Foundation Securities Limited	11
Alfalah Securities (Private) Limited	9
Optimus Capital Management (Pvt) Limited	8
Inter Market Securities Limited	6
BMA Capital Management Limited	4
Taurus Securities Limited	4
Insight Securities (Private) Limited	4
Summit Capital (Private) Limited	3
	30 June 2019
	%
Next Capital Limited	11
Inter Market Securities Limited	10
Shajar Capital Pakistan Private Limited	7
IGI Finex Securities Limited	7
Al Habib Capital Markets Limited	6
Foundation Securities Limited	6
Optimus Capital Management (Pvt) Limited	6
Alfalah Securities (Private) Limited	6
EFG Hermes Pakistan Limited	5
AKD Securities Ltd.	4

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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PERFORMANCE TABLE - AGVF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	(Rupees in '000)				
Net Assets	832,075	1,276,525	2,137,367	2,089,196	655,950
NAV per unit	49.9683	50.5829	61.9813	70.4655	63.3712
Selling price per unit	51.6622	52.2977	72.8543	72.8543	65.8853
Redemption price per unit	49.9683	50.5829	61.9813	70.4655	63.3712
Highest selling price per unit	98.8316	66.4491	87.9451	91.2799	76.7872
Highest redemption price per unit	60.0667	64.2703	85.0615	88.2870	73.8571
Lowest selling price per unit	44.5942	51.4357	60.3693	66.1035	62.5807
Lowest redemption price per unit	43.1320	49.7492	58.3899	63.9361	60.1927
Total interim 1st distribution per unit	0.83	Nil	Nil	8.46	8.9
Total interim 2nd distribution per unit	0.26	Nil	Nil	103.89%	N/A
Interim 1st distribution date	26-Jun-20	Nil	Nil	22-Jun-17	29-Jun-16
Interim 2nd distribution date	30-Jun-20	Nil	Nil	29-Jun-17	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	Nil
Final distribution date	Nil	Nil	Nil	N/A	N/A
Annualized returns	0.94%	-8.80%	-12.04%	26.18%	18.30%
Income distribution	2.18%	Nil	Nil	14.98%	14.53%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A

Return since inception is **8.40%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Value Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Engro Polymer & Chemicals Limited							
EOGM	3-Feb-20	Approval of Annual Accounts of the Company	186,800	0.02%	P		
		Declaration of Dividend					
Sui Northern Gas Pipelines Limited							
EOGM	2-Jun-20	Confirm Minutes of previous AGM	162,600	0.03%	P		
		Election of Directors					



**Alfalah GHP
Prosperity Planning Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Prosperity Planning Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Fund of Funds Scheme

Investment Objective

Alfalah GHP Prosperity Planning Fund is an Open-ended Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Collective Investment Scheme in line with the risk tolerance of the investor.

Money Market Review:-

Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

Equity Market Review

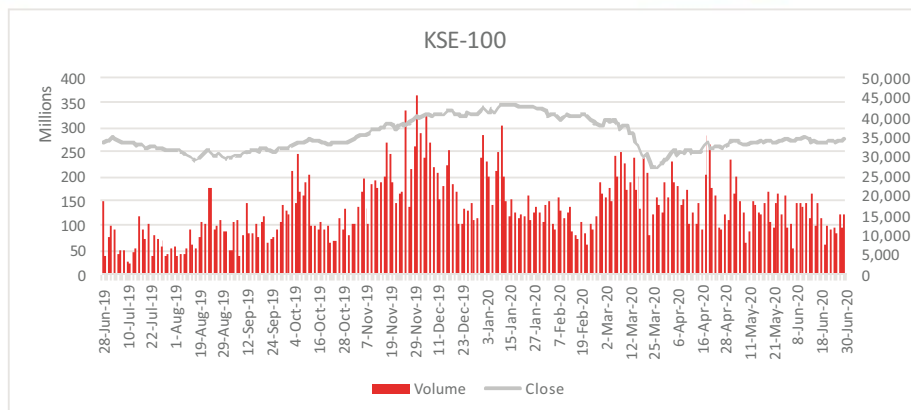
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by: a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

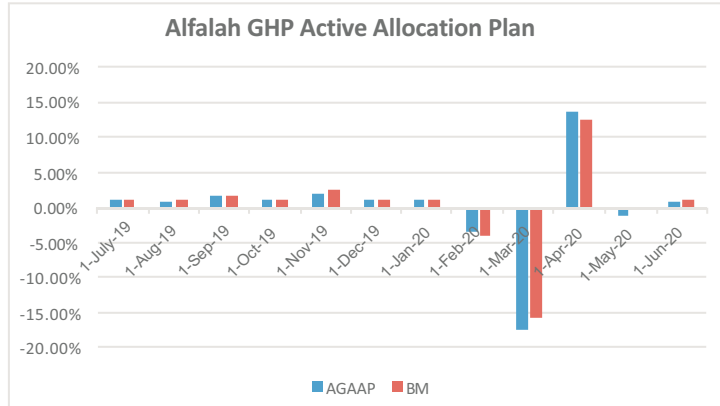
Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.



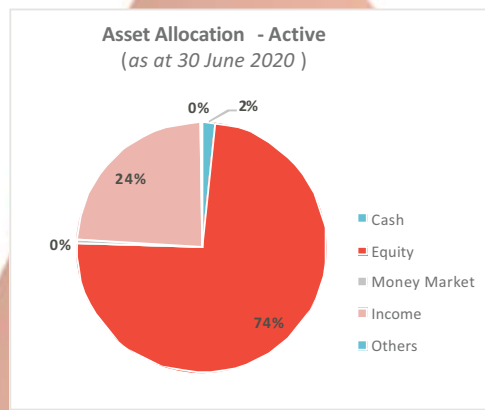
Active Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Active posted a return of -0.75% as compared to its benchmark of 1.679%. During the period, average equity exposure stood at 34.80%, fixed income at 32.87%, and money market at 31.55%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.

AGPPF-Active Return Vs Benchmark:



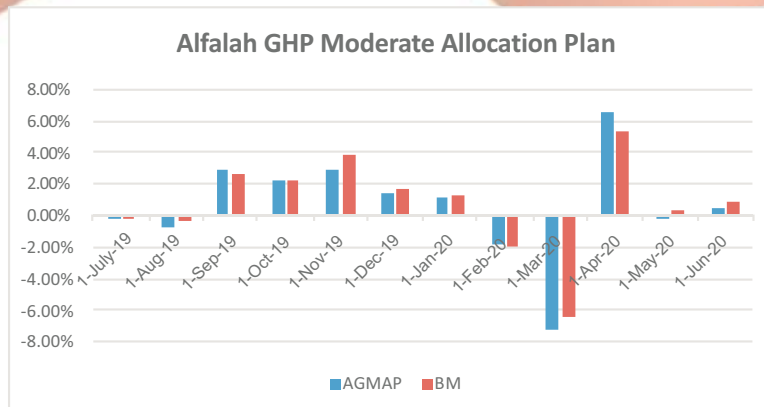
Assets Allocation/Portfolio quality:



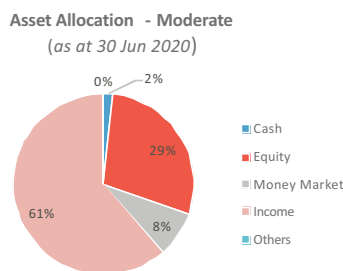
Moderate Allocation Plan

During the period under review, Alfalah GHP Prosperity Planning Fund - Moderate posted a return of 7.25% as compared to its benchmark of 9.49%. During the period, average equity exposure stood at 25.22%, fixed income at 62.41%, and money market at 12.14%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.

AGPPF-ModerateReturn Vs Benchmark:

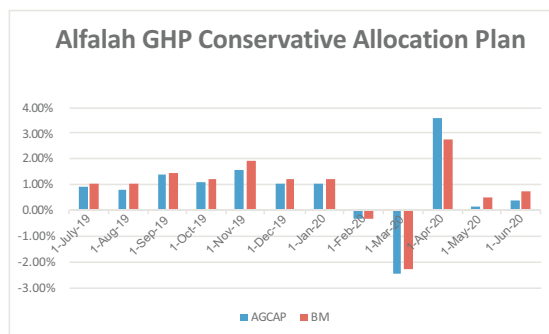


Assets Allocation/Portfolio quality:

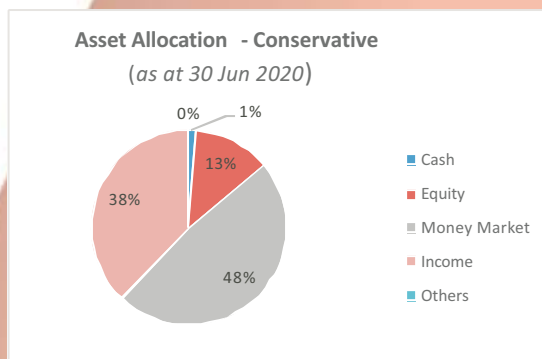


Conservative Allocation Plan:

During the period under review, Alfalah GHP Prosperity Planning Fund - Conservative posted a return of 9.48% as compared to its benchmark of 10.91%. During the period, average equity exposure stood at 8.88%, fixed income at 36.95%, and money market at 53.00%. The fund underperformed the benchmark due to the lackluster performance of the underlying funds.



Assets Allocation/Portfolio quality:



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

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S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP PROSPERITY PLANNING FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Prosperity Planning Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 839.89 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2020

Note	2020 (Rupees)				2019 (Rupees)			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Assets								
4	2,492,409	1,923,733	3,219,456	7,635,598	7,153,920	2,767,644	5,025,197	14,946,761
5	139,662,919	184,090,165	202,267,567	526,020,651	153,045,706	175,462,249	255,397,404	583,905,359
6	2,629	154,343	41,338	198,310	27,517	806,189	248,128	1,081,834
	13,444	6,905	7,085	27,434	4,810	-	-	4,810
	88,551	113,686	108,514	310,751	89,871	114,058	107,379	311,308
Total assets	142,259,952	186,288,832	205,643,960	534,192,744	160,321,824	179,150,140	260,778,108	600,250,072
Liabilities								
7	308,071	313,163	177,487	798,721	406,810	378,290	309,784	1,094,884
8	31,804	30,143	38,823	100,770	44,810	36,101	55,527	136,438
9	30,222	36,001	46,439	112,662	255,539	211,300	307,200	774,039
10	1,896,212	6,568,473	4,233,638	12,698,323	1,869,404	2,691,148	3,345,335	7,905,887
Total liabilities	2,266,309	6,947,780	4,496,387	13,710,476	2,576,563	3,316,839	4,017,846	9,911,248
Net assets attributable to unit holders	139,993,643	179,341,052	201,147,573	520,482,268	157,745,261	175,833,301	256,760,262	590,338,824
Unit holders' fund (as per statement attached)	139,993,643	179,341,052	201,147,573	520,482,268	157,745,261	175,833,301	256,760,262	590,338,824
Contingencies and commitments								
		(Number of units)				(Number of units)		
	1,427,191	1,743,863	2,044,495		1,594,688	1,712,605	2,619,554	
Number of units in issue								
		(Rupees)				(Rupees)		
Net asset value per unit	98.0903	102.8413	98.3850		98.9192	102.6701	98.0168	

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	2020 (Rupees)				2019 (Rupees)			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Income	404,707	412,095	512,036	1,328,838	286,463	455,331	323,326	1,065,120
Profit / mark-up income on bank balances	5,183,651	2,232,648	5,518,856	12,935,155	(26,483,318)	(15,872,916)	(22,941,306)	(65,297,540)
Gain / (loss) on sale of investments - net	(15,132,020)	(4,676,195)	(5,153,414)	(24,961,629)	(9,001,430)	(3,213,444)	(13,036,178)	(25,251,052)
Unrealised loss on revaluation of investments classified as at fair value through profit or loss' - net	10,113,418	19,929,634	19,604,788	49,647,840	20,331,563	30,735,951	31,548,826	82,616,340
Dividend income	569,756	17,898,182	20,482,266	38,950,204	(14,866,722)	12,104,922	(4,105,332)	(6,867,132)
Total income	13,143	19,941	9,122	42,206	29,821	49,800	10,809	90,430
Expenses	1,709	2,592	1,186	5,487	3,885	6,500	1,409	11,794
Remuneration of the Management Company	64,752	88,662	106,586	260,000	387,303	327,122	477,284	1,191,709
Sindh sales tax on remuneration of the Trustee	8,418	11,526	13,856	33,800	50,354	42,529	62,046	154,929
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	30,256	36,026	46,464	112,746	255,539	211,300	307,200	774,039
Amortisation of preliminary expenses and flotation costs	24,888	651,846	206,790	883,524	24,820	650,065	206,225	881,110
Auditors' remuneration	125,274	160,910	180,375	466,559	126,538	141,962	206,189	474,689
Annual listing fee	7,384	9,487	10,632	27,503	7,331	8,224	11,945	27,500
Annual rating fee	-	-	-	-	69,308	77,757	112,935	260,000
Printing charges	5,423	5,971	8,882	20,276	10,663	11,963	17,375	40,001
Allocated expenses	151,760	175,679	232,325	559,764	340,715	281,717	409,601	1,032,033
NCCPL Charges	-	191	-	191	11	1,051	620	1,682
Provision for Sindh Workers' Welfare Fund	2,672	334,422	393,234	730,328	-	205,883	-	205,883
Bank charges	3,102	13,515	4,401	21,018	7,163	1,017	7,378	15,558
Total expenses	488,781	1,510,768	1,213,853	3,163,402	1,313,451	2,016,890	1,831,016	5,161,357
Net income / (loss) for the year before taxation	130,975	16,387,414	19,268,413	35,786,802	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)
Taxation	-	-	-	-	-	-	-	-
Net income / (loss) for the year after taxation	130,975	16,387,414	19,268,413	35,786,802	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)
Allocation of net income for the year	130,975	16,387,414	19,268,413	35,786,802	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)
Net income / (loss) for the year after taxation	-	(489,773)	(5,857,795)	(6,347,568)	-	(2,187,595)	-	(2,187,595)
Income already paid on units redeemed	130,975	15,897,641	13,410,618	29,439,234	(16,180,173)	7,900,437	(5,936,348)	(14,216,084)
Accounting income available for distribution	-	-	231,188	231,188	-	-	-	-
- Relating to capital gain	130,975	15,897,641	13,179,430	29,208,046	-	7,900,437	-	7,900,437
- Excluding capital gain	130,975	15,897,641	13,410,618	29,439,234	-	7,900,437	-	7,900,437

Note

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

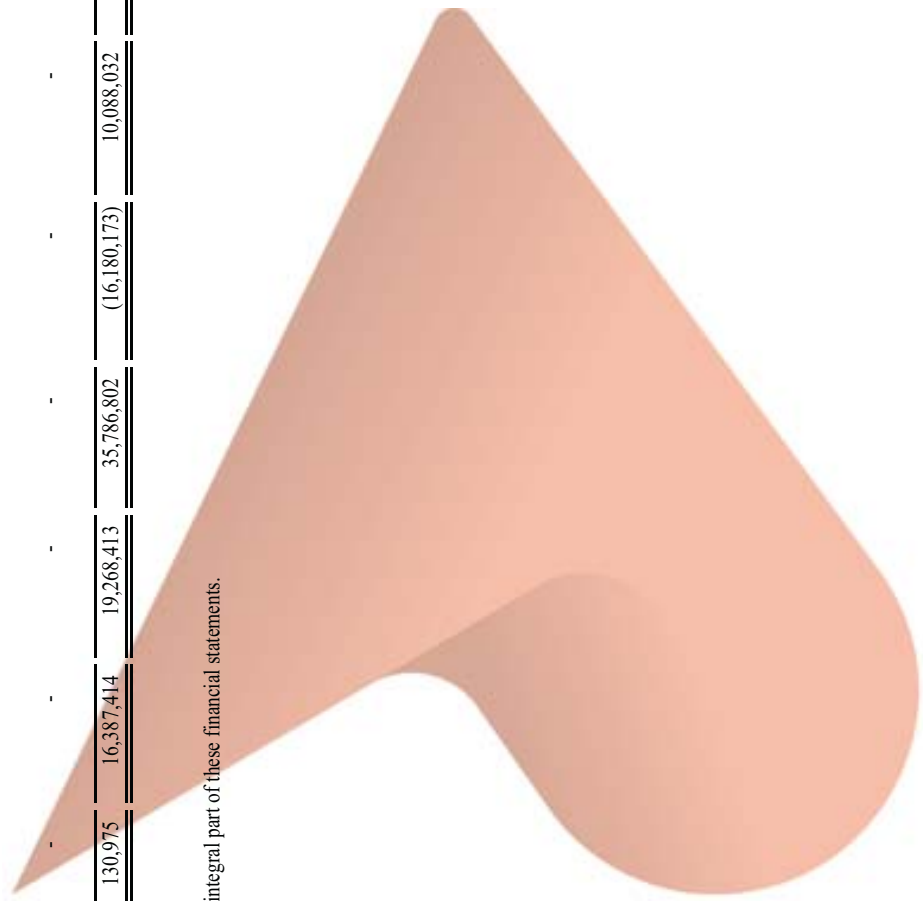
ALFALAH GHP PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
Net income / (loss) for the year after taxation	130,975	16,387,414	19,268,413	35,786,802	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	130,975	16,387,414	19,268,413	35,786,802	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Active Allocation Plan		Conservative Allocation Plan		Moderate Allocation Plan		Total
	Capital value	(Accumulated loss) / undistributed income	Capital value	Undistributed income	Capital value	Undistributed income	
Net assets at the beginning of the year	172,393,762	(14,648,501)	155,145,509	20,687,792	252,884,253	3,876,009	590,338,824
Issuance of units:							
AAP: 1,459 (2019: 34,326) CAP: 115,146 (2019: 793,566)							
MAP: 126,439 (2019: 231,356)							
- Capital value (at net asset value per unit at the beginning of the year)	144,323	-	11,822,051	-	12,393,146	-	24,359,520
- Element of (loss) / income	(412)	(412)	22,215	-	13,941	-	35,744
Total proceeds on issuance of units	143,911	143,911	11,844,266	-	12,407,087	-	24,395,264
Redemption of units:							
AAP: 168,956 (2019: 3,130,960) CAP: 83,888							
2019: (2,533,967) MAP: 701,498 (2019: 2,857,586)							
- Capital value (at net asset value per unit at the beginning of the year)	16,712,992	-	8,612,789	-	68,758,589	-	94,084,370
- Element of loss / (income)	1,182,618	1,182,618	16	489,773	(2,11,040)	5,646,755	7,319,162
Total payments on redemption of units	17,895,610	17,895,610	8,612,805	489,773	68,547,549	5,857,795	101,403,532
Total comprehensive income for the year	-	130,975	-	16,387,414	-	19,268,413	35,786,802
Final distribution for the year ended June 30, 2020 @ Re 0.918 per unit (Active allocation plan) on June 29, 2020	-	(130,894)	-	-	-	-	(130,894)
Final distribution for the year ended June 30, 2020 @ Rs 9.542 per unit (Conservative allocation plan) on June 29, 2020	-	-	(15,621,351)	(15,621,351)	-	-	(15,621,351)
Final distribution for the year ended June 30, 2020 @ Rs 6.7166 per unit (Moderate allocation plan) on June 29, 2020	-	(130,894)	-	(15,621,351)	-	(12,882,845)	(12,882,845)
Net assets at the end of the year	154,642,063	(14,648,420)	158,376,970	20,964,082	196,743,791	4,403,782	520,482,268
(Accumulated loss) / undistributed income brought forward							
- Realised (loss) / income	(5,647,071)		23,901,236		169,121,87		
- Unrealised loss	(9,001,430)		(3,213,444)		(13,036,178)		
	(14,648,501)		20,687,792		3,876,009		
Accounting income available for distribution							
- Relating to capital gains	130,975		15,897,641		231,188		
- Excluding capital gains	130,975		15,897,641		13,410,618		
Final distribution for the year ended June 30, 2020 @ Re 0.918 per unit (Active allocation plan) on June 29, 2020	(130,894)		-		-		
Final distribution for the year ended June 30, 2020 @ Rs 9.542 per unit (Conservative allocation plan) on June 29, 2020	-		(15,621,351)		-		
Final distribution for the year ended June 30, 2020 @ Rs 6.7166 per unit (Moderate allocation plan) on June 29, 2020	-		-		(12,882,845)		
(Accumulated loss) / undistributed income carried forward							
(14,648,420)		20,964,082			4,403,782		
(Accumulated loss) / undistributed income carried forward							
- Realised income	483,600		25,640,277		9,557,196		
- Unrealised loss	(15,132,020)		(4,676,195)		(5,153,414)		
	(14,648,420)		20,964,082		4,403,782		
Net assets value per unit at the beginning of the year	98.9192		102.6701		98.0168		
Net assets value per unit at the end of the year	98.0903		102.8413		98.3850		

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

ALFALAH GHP PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income / (loss) for the year before taxation	130,975	16,387,414	19,268,413	35,786,802	(16,180,173)	10,088,032	(5,936,348)	(12,028,489)
Adjustments for:								
Amortisation of preliminary expenses and floatation costs	24,888	651,846	206,790	883,524	24,820	650,065	206,225	881,110
Unrealised loss on revaluation of investments	15,132,020	4,676,195	5,153,414	24,961,629	9,001,430	3,213,444	13,036,178	25,251,052
Provision against Sindh Workers' Welfare Fund	2,672	3,34,422	393,234	730,328	-	205,883	-	205,883
	15,290,555	22,049,877	25,021,851	62,362,283	(7,153,923)	14,157,424	7,306,055	14,309,556
(Increase) / decrease in assets								
Investments - net	(1,749,253)	(13,304,111)	47,976,423	32,923,079	337,783,355	190,946,531	279,511,121	808,241,007
Mark-up receivable on bank balances	(8,634)	(6,905)	(7,085)	(22,624)	(4,284)	-	248	(4,036)
Prepayments and other receivables	1,320	372	(1,135)	557	6,336	53,100	7,165	66,601
	(1,756,547)	(13,310,644)	47,968,203	32,901,012	337,785,407	190,999,631	279,518,534	808,303,572
Increase / (decrease) in liabilities								
Payable to the Management Company	(98,739)	(65,127)	(132,297)	(296,163)	(92,208)	(77,279)	(77,768)	(247,255)
Payable to the Trustee	(13,006)	(5,958)	(16,704)	(35,668)	(6,970)	1,714	9,199	3,943
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(225,317)	(175,299)	(260,761)	(661,377)	(129,413)	(102,617)	(217,535)	(449,565)
Accrued expenses and other liabilities	24,136	3,542,903	495,069	4,062,108	102,635	1,200,543	180,076	1,483,254
	(312,926)	3,296,519	85,307	3,068,900	(125,956)	1,022,361	(106,028)	790,377
Net cash flows generated from operating activities	13,221,082	12,035,752	73,075,361	98,332,195	330,505,528	206,179,416	286,718,561	823,403,505
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received against issuance of units	143,911	11,844,266	12,407,087	24,395,264	58,458	59,137,472	75,756	59,271,686
Amount paid against redemption of units	(17,895,610)	(9,102,578)	(74,405,344)	(101,403,532)	(328,067,803)	(266,156,968)	(283,684,732)	(877,909,503)
Dividend paid	(130,894)	(15,621,351)	(12,882,845)	(28,635,090)	-	(10,586,187)	-	(10,586,187)
	(17,882,593)	(12,879,663)	(74,881,102)	(105,643,358)	(328,009,345)	(217,605,683)	(283,608,976)	(829,224,004)
Net (decrease) / increase in cash and cash equivalents during the year	(4,661,511)	(843,911)	(1,805,741)	(7,311,163)	2,496,183	(11,426,267)	3,109,585	(5,820,499)
Cash and cash equivalents at beginning of the year	7,153,920	2,767,644	5,025,197	14,946,761	4,657,737	14,193,911	1,915,612	20,767,260
Cash and cash equivalents at end of the year	2,492,409	1,923,733	3,219,456	7,635,598	7,153,920	2,767,644	5,025,197	14,946,761

The annexed notes from 1 to 21 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP PROSPERITY PLANNING FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on July 07, 2015 between Alfalah GHP Investment Management Limited, (the Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) under the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) vide its letter No. SCD/SMCW/AGPPF/30/2015 dated July 30, 2015 and Offering Document was approved by SECP vide its letter No. SCD/AMCW/AGPPF/29/2015 dated July 30, 2015.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Fund of Funds' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The investment objectives and policy are explained in the Fund's offering document. Presently, the following allocation plans are offered:

- a. Alfalah GHP Active Allocation Plan
- b. Alfalah GHP Conservative Allocation Plan
- c. Alfalah GHP Moderate Allocation Plan

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 9, 2019.

Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
- The NBFC rules, the NBFC Regulations, and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

2.3.1 The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (Accounting periods beginning on or after
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investments (notes 3.3.1 and 5)
- Impairment of financial assets (note 3.3.3)
- Taxation (notes 3.8 and 14)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain investments classified as 'financial assets at fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentational currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentational currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

3.3.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognized at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

3.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.3.3 Impairment

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.12 Revenue recognition

- Gain or losses arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognized in the income statement in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances is recognised on time proportion basis using the effective yield method.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.15 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Regulations.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4. BANK BALANCES

	2020				2019				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
Note	(Rupees)				(Rupees)				
In saving accounts	4.1	2,492,409	1,923,733	3,219,456	7,635,598	7,153,920	2,767,644	5,025,197	14,946,761

4.1 These represent balances in saving accounts maintained with banks carrying profit rates ranging from 5.5% to 9.5% (2019: 6.8% to 13.15%) per annum. This includes Rs 6.917 million (2019: Rs 20.235 million) placed with Bank Alfalah Limited (a related party).

5. INVESTMENTS

	2020				2019				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
Note	(Rupees)				(Rupees)				
Investments - 'At fair value through profit or loss'	5.1	139,662,919	184,090,165	202,267,567	526,020,651	153,045,706	175,462,249	255,397,404	583,905,359

5.1 Investments - 'at fair value through profit or loss' - Units of mutual funds

Active Allocation Plan

Particulars	As at July 1, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:	
					Carrying value	Market value	Unrealised gain / (loss)	Net assets	Total investments
Alfalah GHP Alpha Fund*	296,162	1,356,558	673,831	978,889	59,969,740	52,419,542	(7,500,198)	37.44%	37.53%
Alfalah GHP Cash Fund*	12,843	1,045	13,846	42	21,389	20,999	(390)	0.01%	0.02%
Alfalah GHP Stock Fund*	100,049	769,465	315,729	553,785	59,966,819	52,416,874	(7,549,945)	37.44%	37.52%
Alfalah GHP Sovereign Fund*	234	126,252	121,948	4,538	502,668	484,074	(18,594)	0.35%	0.35%
Alfalah GHP Money Market Fund*	3,265	1,152,373	1,147,432	8,206	805,378	805,412	34	0.58%	0.58%
Alfalah GHP Income Fund*	78	11	-	89	10,053	10,004	(49)	0.01%	0.01%
Alfalah GHP Income Multiplier Fund*	2,253,411	83,534	1,707,679	629,266	33,518,892	33,506,014	(12,878)	23.93%	23.99%
As at June 30, 2020					154,794,939	139,662,919	(15,132,020)	99.76%	100.00%
As at June 30, 2019					162,047,136	153,045,706	(9,001,430)	97.02%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Conservative Allocation Plan

Particulars	As at July 1, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:	
					Carrying value	Market value	Unrealised gain / (loss)	Net assets	Total investments
Alfalaha GHP Alpha Fund*	-	451,401	228,219	223,182	14,157,676	11,951,368	(2,206,308)	6.66%	6.49%
Alfalaha GHP Cash Fund*	93,051	11,139	3,743	100,447	50,131,232	50,221,250	90,018	28.00%	27.28%
Alfalaha GHP Stock Fund*	-	256,316	128,172	128,144	14,341,025	12,129,111	(2,211,914)	6.76%	6.59%
Alfalaha GHP Sovereign Fund*	268,280	163,263	181,466	250,077	27,097,580	26,675,907	(421,673)	14.87%	14.49%
Alfalaha GHP Money Market Fund*	603,911	76,487	277,617	402,781	39,460,681	39,528,262	67,581	22.04%	21.47%
Alfalaha GHP Income Fund*	92,557	10,667	19,469	83,755	9,421,245	9,440,555	(19,310)	5.25%	5.11%
Alfalaha GHP Income Multiplier Fund*	580,684	85,124	24,564	641,244	34,156,921	34,143,712	13,209	19.06%	18.57%
As at June 30, 2020					188,766,360	184,090,165	(4,676,195)	102.64%	100.00%
As at June 30, 2019					178,675,693	175,462,249	(3,213,444)	99.78%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Moderate Allocation Plan

Particulars	As at July 1, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of:	
					Carrying value	Market value	Unrealised gain / (loss)	Net assets	Total investments
Alfalaha GHP Alpha Fund*	537,702	443,844	318,750	662,796	37,905,155	35,492,717	(2,412,438)	17.65%	17.55%
Alfalaha GHP Cash Fund*	13,212	1,648	-	14,860	7,415,941	7,429,270	13,329	3.69%	3.67%
Alfalaha GHP Stock Fund*	230,406	251,026	228,442	252,990	26,174,922	23,946,107	(2,228,815)	11.90%	11.84%
Alfalaha GHP Sovereign Fund*	855,344	78,284	486,058	447,570	47,641,163	47,742,840	101,677	23.74%	23.60%
Alfalaha GHP Money Market Fund*	36,804	330,845	273,555	94,094	9,234,033	9,234,169	136	4.59%	4.57%
Alfalaha GHP Income Fund*	2,107	307	-	2,414	271,533	272,115	582	0.14%	0.13%
Alfalaha GHP Income Multiplier Fund*	1,906,644	361,540	800,505	1,467,679	78,778,234	78,150,349	(627,885)	38.85%	38.64%
As at June 30, 2020					207,420,981	202,267,567	(5,153,414)	100.56%	100.00%
As at June 30, 2019					268,433,582	255,397,404	(13,036,178)	99.46%	100.00%

* These represent investments held in related parties i.e. funds under common management.

5.2 Unrealised loss on revaluation of investments classified as at 'fair value through profit or loss' - net

Note	2020				2019				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
	(Rupees)				(Rupees)				
Market value of investments	5.1	139,662,919	184,090,165	202,267,567	526,020,651	153,045,706	175,462,249	255,397,404	583,905,359
Less: carrying value of investment	5.1	(154,794,939)	(188,766,360)	(207,420,981)	(550,982,280)	(162,047,136)	(178,675,693)	(268,433,582)	(609,156,411)
		(15,132,020)	(4,676,195)	(5,153,414)	(24,961,629)	(9,001,430)	(3,213,444)	(13,036,178)	(25,251,052)

6. PRELIMINARY EXPENSES AND FLOATION COSTS

Balance at the beginning of the year	27,517	806,189	248,128	1,081,834	52,337	1,456,254	454,353	1,962,944	
Less: amortisation during the year	(24,888)	(651,846)	(206,790)	(883,524)	(24,820)	(650,065)	(206,225)	(881,110)	
Balance at the end of the year	6.1	2,629	154,343	41,338	198,310	27,517	806,189	248,128	1,081,834

- 6.1 This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from September 12, 2015, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the Active Allocation plan, Moderate Allocation plan and Conservative Allocation Plan according to the ratios of their Pre IPO investments.

7. PAYABLE TO THE MANAGEMENT COMPANY

	Note	2020				2019			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
		(Rupees)				(Rupees)			
Management remuneration payable	7.1	11,403	-	742	12,145	20,447	5,084	5,642	31,173
Sindh sales tax payable on management remuneration	7.2	1,898	-	1,609	3,507	2,818	1,406	2,246	6,470
Payable against allocated expenses	7.3	36,972	48,589	42,798	128,359	125,747	112,811	169,558	408,116
Federal excise duty payable on management remuneration	7.4	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Sales load payable		252,241	257,650	121,465	631,356	252,241	252,065	121,465	625,771
		308,071	313,163	177,487	798,721	406,810	378,290	309,784	1,094,884

- 7.1 The Management Company has charged remuneration at the rate of 1% (2019: 1%) of average annual net assets of the Fund during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 7.2 During the year, an amount of Rs. 0.005 million (2019: Rs. 0.012 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs.0.008 million (2019: Rs.0.011 million) has been paid to the Management Company which acts as a collecting agent.
- 7.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 7.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.023 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.0039 per unit (2019: Re 0.003), Re. 0.0039 per unit (2019: Re 0.004) and Re. 0.0053 per unit (2019: Re 0.004) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

8. PAYABLE TO THE TRUSTEE

	Note	2020				2019			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
		----- (Rupees) -----				----- (Rupees) -----			
Trustee remuneration payable	8.1	27,544	25,971	34,335	87,850	39,064	31,256	49,132	119,452
Sindh sales tax payable on Trustee remuneration	8.2	4,260	4,172	4,488	12,920	5,746	4,845	6,395	16,986
		<u>31,804</u>	<u>30,143</u>	<u>38,823</u>	<u>100,770</u>	<u>44,810</u>	<u>36,101</u>	<u>55,527</u>	<u>136,438</u>

- 8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily NAV of the Fund. During the year, the Trustee remuneration has been charged at the rate of 0.07% per annum of net assets of the Fund. During 2019, the Trustee remuneration was charged on following basis:

Existing Tariff	
Net Assets (Rs.)	Fee
- Up to Rs. 1 billion	0.10% p.a. of net assets
- Over Rs 1 billion	Rs 1 million plus 0.075% p.a. of net assets exceeding Rs 1 billion

- 8.2 During the year, an amount of Rs 0.03 million (2019: Rs. 0.155 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.04 million (2019: Rs. 0.154 million) was paid to the Trustee which acts as a collecting agent.

9. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

	2020				2019				
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	
		----- (Rupees) -----				----- (Rupees) -----			
Annual fee payable	30,222	36,001	46,439	112,662	255,539	211,300	307,200	774,039	

- 9.1 Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2019: 0.075%) of the average annual net assets of the Fund.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2020				2019			
		Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
		----- (Rupees) -----				----- (Rupees) -----			
Provision for Sindh Workers' Welfare Fund	10.1	1,309,889	1,515,379	2,901,773	5,727,041	1,307,217	1,180,957	2,508,540	4,996,714
Rating fee payable		303,171	242,045	485,820	1,031,036	303,172	242,045	485,819	1,031,036
Printing charges payable		94,394	-	78,820	173,214	95,612	-	80,649	176,261
Auditors' remuneration payable		101,316	51,163	158,643	311,122	81,805	11,795	153,219	246,819
Withholding tax payable		67,408	4,624,575	518,584	5,210,567	61,957	1,117,084	36,200	1,215,241
Capital gain tax payable		393	44,028	44,364	88,785	-	42,399	35,274	77,673
Listing fee		19,641	-	2,456	22,097	19,641	-	2,456	22,097
Sales load payable		-	91,283	43,178	134,461	-	96,868	43,178	140,046
		<u>1,896,212</u>	<u>6,568,473</u>	<u>4,233,638</u>	<u>12,698,323</u>	<u>1,869,404</u>	<u>2,691,148</u>	<u>3,345,335</u>	<u>7,905,887</u>

- 10.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2020, the net asset value of the Fund as at June 30, 2020 would have been higher by Re. 0.92 per unit (2019: Re 0.82), Re. 0.85 per unit (2019: Re 0.69) and Re. 1.42 per unit (2019: Re 0.96) for Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2020 and June 30, 2019.

12. AUDITORS' REMUNERATION

	2020				2019			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Annual audit fee	59,402	75,942	85,144	220,488	60,000	67,000	97,329	224,329
Review and other certifications	44,550	56,674	61,236	162,460	45,000	50,000	70,000	165,000
Out of pocket expenses	12,043	16,374	20,634	49,051	12,165	14,446	23,587	50,198
Sindh sales tax on services	9,279	11,920	13,361	34,560	9,373	10,516	15,273	35,162
	<u>125,274</u>	<u>160,910</u>	<u>180,375</u>	<u>466,559</u>	<u>126,538</u>	<u>141,962</u>	<u>206,189</u>	<u>474,689</u>

13. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 are 0.29%, 0.53% and 0.81% (2019: 0.39%, 0.72% and 0.45%) which includes 0.03%, 0.20% and 0.19% (2019: 0.09%, 0.17% and 0.09%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund (if any), sales taxes, federal excise duties, annual fee to the SECP, etc in Active Allocation Plan, Conservative Allocation Plan and Moderate Allocation Plan respectively. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Fund of Funds.

14. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

Since the management company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements.

15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

15.1 Unit Holders' Fund

2020										
As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020	

Note

(Units)

(Rupees)

- Active Allocation Plan

Associated companies / undertakings

Bank Alfalah Limited - Employees Gratuity Fund	15.1.1	1,064,454	-	996	-	1,065,450	105,295,037	-	97,717	-	104,510,310
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- Conservative Allocation Plan

Unit holder holding 10% or more units

Additional Registrar (Judicial) / Deputy Registrar Judicial	15.1.1	1,621,497	-	105,490	-	1,726,987	166,479,259	-	10,830,629	-	177,605,588
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- Moderate Allocation Plan

Unit holder holding 10% or more units

Pakistan Services Limited Employees Provident Fund	15.1.1	333,745	-	22,844	-	356,589	34,265,633	-	2,241,631	-	35,083,009
Gurmani Foundation (N)	15.1.1	275,013	-	12,973	-	287,986	27,017,425	-	1,273,762	-	28,333,503
Attock Cement Pakistan Limited Provident Fund	15.1.1	522,021	-	35,731	-	557,752	51,302,606	-	3,506,206	-	54,874,431
Attock Cement Pakistan Limited Employees	15.1.1	312,565	-	21,395	-	333,960	30,717,916	-	2,099,374	-	32,856,655

2019										
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019	

(Units)

(Rupees)

- Active Allocation Plan

Associated companies / undertakings

Bank Alfalah Limited - Employees Provident Fund		528,437	-	3,790	532,227	-	56,537,527	-	402,616	56,559,731	-
Bank Alfalah Limited - Employees Gratuity Fund		1,056,875	-	7,580	-	1,064,455	113,075,162	-	805,232	-	105,295,037

- Conservative Allocation Plan

Unit holder holding 10% or more units

Medicare Pakistan (Private) Limited		450,762	-	32,828	483,590	-	50,043,372	-	3,393,053	51,317,180	-
Additional Registrar (Judicial) / Deputy Registrar Judicial		1,456,557	-	164,940	-	1,621,497	160,132,420	-	17,007,406	-	166,479,259
Jinnah Medical & Dental College (SMST)		850,181	-	-	-	850,181	94,386,670	-	-	-	87,288,168

- Moderate Allocation Plan

Unit holder holding 10% or more units

Pakistan Services Limited Employees Provident		319,758	-	13,987	-	333,745	33,300,201	-	1,395,584	-	34,265,633
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15.1.1 This reflects the position of related party / conneced persons status as at June 30, 2020.

15.2 Other transactions

	2020				2019			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Associated companies / undertakings								
Alfalah GHP Investment Management Limited - Management Company								
Remuneration of the Management Company	13,143	19,941	9,122	42,206	29,821	49,800	10,809	90,430
Sindh sales tax on remuneration of the Management Company	1,709	2,592	1,186	5,487	3,885	6,500	1,409	11,794
Allocated expenses	151,760	175,679	232,325	559,764	340,715	281,717	409,601	1,032,033
Sales load	-	-	-	-	143,655	37,293	39,437	220,385
Bank Alfalah Limited								
Profit / mark-up income on bank balances	386,923	385,780	497,698	1,270,401	280,244	452,584	320,689	1,053,517
Bank charges	1,899	11,590	3,372	16,861	7,163	1,017	7,378	15,558
Sales load	-	-	-	-	-	363,898	-	363,898
Other related parties								
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	64,752	88,662	106,586	260,000	387,303	327,122	477,284	1,191,709
Sindh sales tax on remuneration of the Trustee	8,418	11,526	13,856	33,800	50,354	42,529	62,046	154,929

15.3 Other balances

	2020				2019			
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Total
	(Rupees)				(Rupees)			
Associated companies / undertakings								
Alfalah GHP Investment Management Limited - Management Company								
Management remuneration payable	11,403	-	742	12,145	20,447	5,084	5,642	31,173
Sindh sales tax payable on management remuneration	1,898	-	1,609	3,507	2,818	1,406	2,246	6,470
Payable against allocated expenses	36,972	48,589	42,798	128,359	125,747	112,811	169,558	408,116
Federal excise duty payable on management remuneration	5,557	6,924	10,873	23,354	5,557	6,924	10,873	23,354
Sales load payable	252,241	257,650	121,465	631,356	252,241	257,650	121,465	631,356
Bank Alfalah Limited								
Bank balances	2,215,472	1,654,687	3,046,937	6,917,096	4,471,527	13,990,337	1,772,933	20,234,797
Sales load payable	-	91,283	43,178	134,461	-	91,283	43,178	134,461
Other related party								
Central Depository Company of Pakistan Limited - Trustee								
Trustee remuneration payable	27,544	25,971	34,335	87,850	39,064	31,256	49,132	119,452
Sindh sales tax payable on Trustee remuneration	4,260	4,172	4,488	12,920	5,746	4,845	6,395	16,986

16. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets at amortized cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020			2019		
	At amortised cost	At fair value through profit or loss	Total	At amortised cost	At fair value through profit or loss	Total
	(Rupees)			(Rupees)		
Financial assets						
Bank balances	7,635,598	-	7,635,598	14,946,761	-	14,946,761
Investments	-	526,020,651	526,020,651	-	583,905,359	583,905,359
Mark-up receivable on bank balances	27,434	-	27,434	4,810	-	4,810
Other receivables	304,305	-	304,305	243,574	-	243,574
	<u>7,967,337</u>	<u>526,020,651</u>	<u>533,987,988</u>	<u>15,195,145</u>	<u>583,905,359</u>	<u>599,100,504</u>
Financial liabilities						
Payable to the Management Company	798,721	-	798,721	1,094,884	-	1,094,884
Payable to the Trustee	100,770	-	100,770	136,438	-	136,438
Accrued expenses and other liabilities	1,671,930	-	1,671,930	1,616,259	-	1,616,259
	<u>2,571,421</u>	<u>-</u>	<u>2,571,421</u>	<u>2,847,581</u>	<u>-</u>	<u>2,847,581</u>

17. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

17.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

17.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

17.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

Variable rate instruments (financial assets)	Note	2020	2019
		-----Rupees-----	
Bank balances	4	<u>7,635,598</u>	<u>14,946,761</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 274 (2019: Rs 48) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	2020					Total
	Effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	5.5%-9.5%	7,635,598	-	-	-	7,635,598
Investments		-	-	-	526,020,651	526,020,651
Mark-up receivable on bank balances		-	-	-	27,434	27,434
Other receivables		-	-	-	304,305	304,305
Sub-total		<u>7,635,598</u>	<u>-</u>	<u>-</u>	<u>526,352,390</u>	<u>533,987,988</u>
Financial liabilities						
Payable to the Management Company		-	-	-	798,721	798,721
Payable to the Trustee		-	-	-	100,770	100,770
Accrued expenses and other liabilities		-	-	-	1,671,930	1,671,930
Sub-total		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,571,421</u>	<u>2,571,421</u>
On-balance sheet gap		<u>7,635,598</u>	<u>-</u>	<u>-</u>	<u>523,780,969</u>	<u>531,416,567</u>
Total interest rate sensitivity gap		<u>7,635,598</u>	<u>-</u>	<u>-</u>	<u>523,780,969</u>	<u>531,416,567</u>
Cumulative interest rate sensitivity gap		<u>7,635,598</u>	<u>7,635,598</u>	<u>7,635,598</u>		

Particulars	2019					Total
	Effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
(Rupees)						
Financial assets						
Bank balances	6.8%-13.15%	14,946,761	-	-	-	14,946,761
Investments		-	-	-	583,905,359	583,905,359
Mark-up receivable on bank balances		-	-	-	4,810	4,810
Other receivables		-	-	-	243,574	243,574
Sub-total		<u>14,946,761</u>	<u>-</u>	<u>-</u>	<u>584,153,743</u>	<u>599,100,504</u>
Financial liabilities						
Payable to the Management Company		-	-	-	1,094,884	1,094,884
Payable to the Trustee		-	-	-	136,438	136,438
Accrued expenses and other liabilities		-	-	-	1,616,259	1,616,259
Sub-total		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,847,581</u>	<u>2,847,581</u>
On-balance sheet gap		<u>14,946,761</u>	<u>-</u>	<u>-</u>	<u>581,306,162</u>	<u>596,252,923</u>
Total interest rate sensitivity gap		<u>14,946,761</u>	<u>-</u>	<u>-</u>	<u>581,306,162</u>	<u>596,252,923</u>
Cumulative interest rate sensitivity gap		<u>14,946,761</u>	<u>14,946,761</u>	<u>14,946,761</u>		

17.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarises the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2020. The analysis is based on the assumption that prices increase and decrease by 5%, with all other variables held constant.

At June 30, 2020, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

	2020	2019
	-----Rupees-----	
Effect due to increase / decrease in KSE 100 index		
Investments and net assets	9,417,781	3,935,292
Income statement	9,417,781	3,935,292

17.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

17.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----		----- (Rupees) -----	
Bank balances	7,635,598	7,635,598	14,946,761	14,946,761
Investments	526,020,651	-	583,905,359	-
Mark-up receivable on bank balances	27,434	27,434	4,810	4,810
Other receivables	304,305	304,305	243,574	243,574
	<u>533,987,988</u>	<u>7,967,337</u>	<u>599,100,504</u>	<u>15,195,145</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 526.02 million (2019: Rs 583.91 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2020 and June 30, 2019.

17.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks (including profit receivable) having following credit ratings:

Balances with banks by rating category

Name of Bank	Rating Agency	Rating	2020	2019
			Percentage of total balance	
JS Bank Limited	PACRA	A1+	2.75%	1.15%
Bank Alfalah Limited	PACRA	A1+	90.59%	94.72%
Allied Bank Limited	PACRA	A1+	0.82%	0.39%
National Bank of Pakistan	PACRA	A1+	5.84%	3.74%
			<u>100.00%</u>	<u>100.00%</u>

17.2.3 Open end mutual fund - Quoted

The Fund had investments at June 30, 2020 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating Agency	Rating	2020	2019
			Percentage of total balance	
Alfalalah GHP Alpha Fund	Not Rated	Not Rated	18.98%	7.91%
Alfalalah GHP Cash Fund	PACRA	AA(f)	10.96%	10.18%
Alfalalah GHP Stock Fund	Not Rated	Not Rated	16.82%	5.56%
Alfalalah GHP Sovereign Fund	PACRA	AA-(f)	14.24%	20.47%
Alfalalah GHP Money Market Fund	PACRA	AA+(f)	9.42%	10.80%
Alfalalah GHP Income Fund	PACRA	A+(f)	1.84%	1.83%
Alfalalah GHP Income Multiplier Fund	PACRA	A+(f)	27.74%	43.25%
Alfalalah GHP Islamic Stock Fund	Not Rated	Not Rated	0.00%	0.00%
			<u>100.00%</u>	<u>100.00%</u>

17.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

17.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	7,635,598	-	-	-	7,635,598
Investments	526,020,651	-	-	-	526,020,651
Mark-up receivable on bank balances	27,434	-	-	-	27,434
Other receivables	304,305	-	-	-	304,305
	<u>533,987,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>533,987,988</u>
Financial liabilities					
Payable to the Management Company	798,721	-	-	-	798,721
Payable to the Trustee	100,770	-	-	-	100,770
Accrued and other liabilities	1,671,930	-	-	-	1,671,930
	<u>2,571,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,571,421</u>
Net assets	<u>531,416,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,416,567</u>

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	14,946,761	-	-	-	14,946,761
Investments	583,905,359	-	-	-	583,905,359
Mark-up receivable on bank balances	4,810	-	-	-	4,810
Other receivables	243,574	-	-	-	243,574
	599,100,504	-	-	-	599,100,504
Financial liabilities					
Payable to the Management Company	1,094,884	-	-	-	1,094,884
Payable to the Trustee	136,438	-	-	-	136,438
Accrued and other liabilities	1,616,259	-	-	-	1,616,259
	2,847,581	-	-	-	2,847,581
Net assets	<u>596,252,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596,252,923</u>

17.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2019, the Fund held the following financial instruments measured at fair values:

	-----2020-----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets 'at fair value through profit or loss' - net				
Investments				
- Open end mutual funds - Quoted	-	526,020,651	-	526,020,651
	<u>-</u>	<u>526,020,651</u>	<u>-</u>	<u>526,020,651</u>
	-----2019-----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets 'at fair value through profit or loss' - net				
Investments				
- Open end mutual funds - Quoted	-	583,905,359	-	583,905,359
	<u>-</u>	<u>583,905,359</u>	<u>-</u>	<u>583,905,359</u>

17.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of Units at the discretion of the unit holders and occurrence of the unexpected losses in investment portfolio which may causes adverse effects on the Fund's continuation as going concern.

The Fund's objective when managing net assets attributable to unit holders is to safe guard the Fund's ability to continue as going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues unit in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required make necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well returns earned on the net assets to maintain investors confidence and achieve future growth in business. Further the Board of Directors is updated about the Fund yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

18. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

19. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

20. GENERAL

20.1 Rounding off

Figures are rounded off to the nearest rupee.

20.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The SECP has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

20.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

21. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND**Active Allocation Plan**

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	8	37,121	3,644,330	3%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	4	1,390,070	136,350,000	97%
Others	0	-	-	0%
	12	1,427,191	139,994,330	100%

Conservative Allocation Plan

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	31	7,928	815,403	0%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	2	1,735,935	178,525,651	100%
	33	1,743,863	179,341,054	100%

Moderate Allocation Plan

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	38	351,280	34,557,642	17%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	9	1,693,216	166,590,000	83%
Others	0	-	-	0%
	47	2,044,495	201,147,642	100%

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

Active Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	10	205,918	20,369,214	14%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	4	1,388,770	137,376,045	97%
Others	0	-	-	0%
	14	1,594,688	157,745,259	112%

Conservative Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	28	91,108	9,354,010	5%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	2	1,621,497	166,479,290	93%
	30	1,712,605	175,833,301	98%

Moderate Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	50	544,143	53,335,125	27%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	9	1,584,743	155,331,430	78%
Others	1	490,668	48,093,707	24%
	60	2,619,554	256,760,262	128%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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PERFORMANCE TABLE - AGPPF

	30 June 2020			30 June 2019			30 June 2018		
	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan	Active Allocation Plan	Conservative Allocation Plan	Moderate Allocation Plan
Net Assets	139,994	179,341	201,147	157,745	175,833	256,760	501,934,779	383,350,952	546,305,586
NAV per unit	98.1821	102.8412	98.3850	98.9192	102.6701	98.0168	106.9901	111.0195	104.1419
Selling price per unit	100.4010	104.0033	100.0526	101.1548	103.8303	99.6782	109.4081	112.2740	105.9071
Redemption price per unit	98.1821	102.8412	98.3850	98.9192	102.6701	98.0168	106.9901	111.0195	104.1419
Highest selling price per unit	112.0671	113.9832	110.5608	111.0652	108.0984	103.5258	119.3368	113.2460	109.1628
Highest redemption price per unit	109.5904	112.7096	108.7180	108.6106	106.8905	101.8003	116.6994	111.9806	107.3433
Lowest selling price per unit	83.5783	103.8900	97.4945	98.4475	103.4828	97.7832	104.5700	108.9126	102.3158
Lowest redemption price per unit	81.7312	102.7292	95.8695	96.2718	102.3265	96.1534	102.2589	107.6956	100.6105
Total interim distribution per unit	0.0918	9.5420	6.7166	Nil	Nil	Nil	Nil	Nil	Nil
Interim distribution date	June 30, 2020	June 28, 2020	June 28, 2020	N/A	N/A	N/A	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil	4.5499	Nil	Nil	0.89	Nil
Final distribution date	N/A	N/A	N/A	N/A	June 30, 2019	N/A	N/A	43,283.00	N/A
Annualized returns	-0.75%	9.48%	7.25%	-6.88%	3.74%	-1.77%	-8.88%	0.98%	-2.63%
Income distribution	0.09%	9.29%	6.84%	Nil	4.40%	Nil	Nil	0.81%	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

AAP - Return since inception is 1.91%

CAP - Return since inception is 5.82%

MAP - Return since inception is 4.53%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



Alfalah
GHP Islamic Prosperity
Planning Fund

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Islamic Prosperity Planning Fund

Annual Fund Manager's Report

Type of Fund: Open-end Scheme

Category of Fund: Fund of Funds Scheme

Investment Objective

Alfalah GHP Islamic Prosperity Planning Fund is an Open-ended Shariah Complaint Fund of Funds Scheme that aims to generate returns on investment as per the respective Allocation Plan by investing in Shariah complaint Mutual funds in line with the risk tolerance of the investor.

Accomplishment of Objective

The Fund has achieved its objective of generating higher return by investing in a mix of underlying fixed income and equity based mutual funds within the guidelines provided under NBFC rules.

Money Market Review:-

Pakistan's GDP is expected to post a negative growth of 0.4% during FY20. The global COVID Pandemic which set its foot prints in the country in last quarter FY20, which hampered the economic activities in the country. In order to provide liquidity support to the households and businesses to help them through the ensuing temporary phase of economic disruption, SBP made an aggressive move by reducing the discount rate on consistent basis. Till date the policy rate has been reduced by approximately 625bps to around 7%.

The yield curve witnessed a tremendous downward shift owing to the aggressive rate cut. Market participants made took heavy bets in longer duration instruments. During the year, the central bank was able to fetch PKR 11.8 trillion T-bills with majority of the participation witnessed in 6 month and 12 months tenor. Through PIBs, the central bank was able to fetch PKR 2.02 trillion in the reviewed period as compared to PKR 800 billion in FY 19. Majority of the participation witnessed in 3 years followed by 5 years and 10 years

Going forward, we believe that the central bank has provided the much needed stimulus in order to revive the economic growth in the country. Now with the resumption in the business activity, the macroeconomic variable will surely begin to improve gradually in the coming year.

Equity Market Review

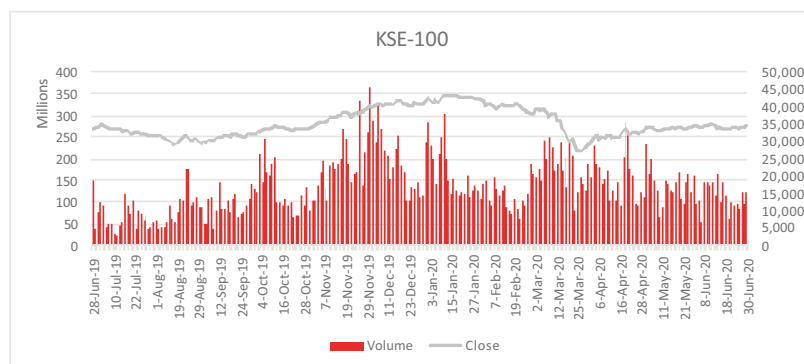
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

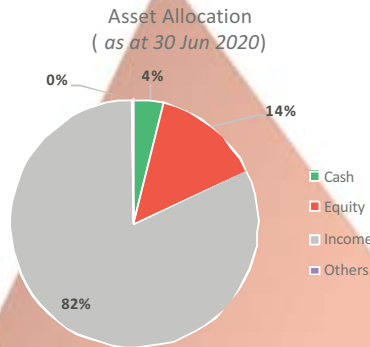
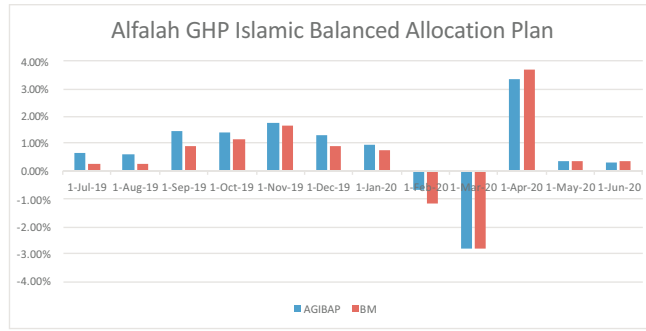
However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.



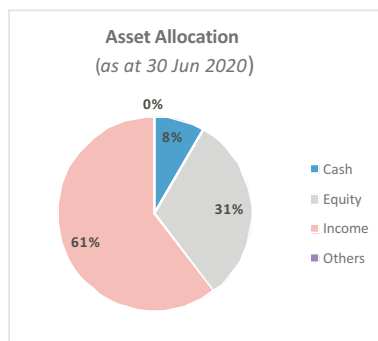
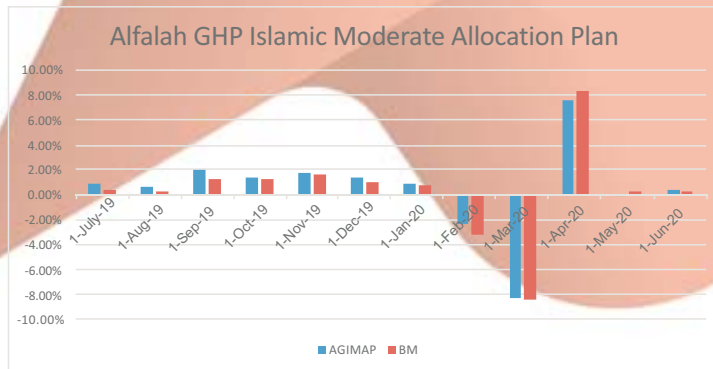
Islamic Balance Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Balanced posted a return of 9.04% as compared to its benchmark of 6.52%. During the period, average equity exposure stood at 10.54% and fixed income at 73.76%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



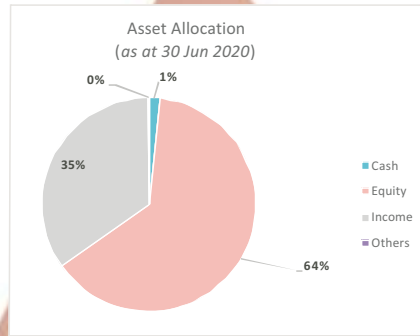
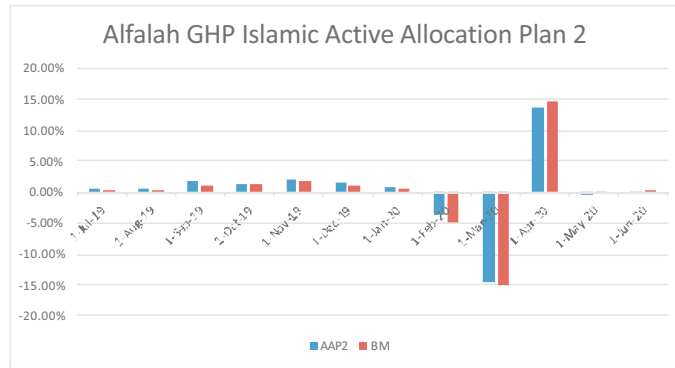
Islamic Moderate Fund:

During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active posted a return of 5.94% as compared to its benchmark of 3.18%. During the period, average equity exposure stood at 20.21% and fixed income at 65.31%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



Islamic Active Fund - II:

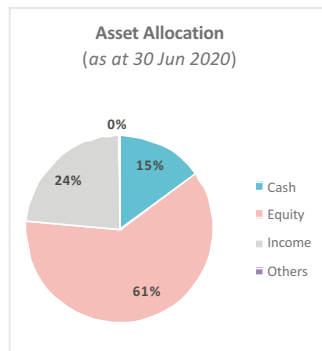
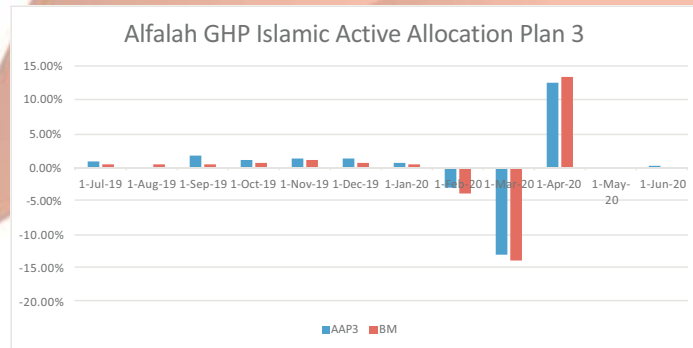
During the period under review, Alfalah GHP Islamic Prosperity Planning Fund - Active II posted a return of 1.26% as compared to its benchmark of -1.76%. During the period, average equity exposure stood at 30.80% and fixed income at 55.02%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



Islamic Active Fund - III:

During the period under review, Alfalah GHP Prosperity Planning Fund - Active III posted a return of 1.12% as compared to its benchmark of -2.24%.

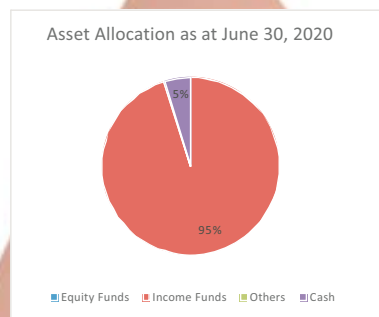
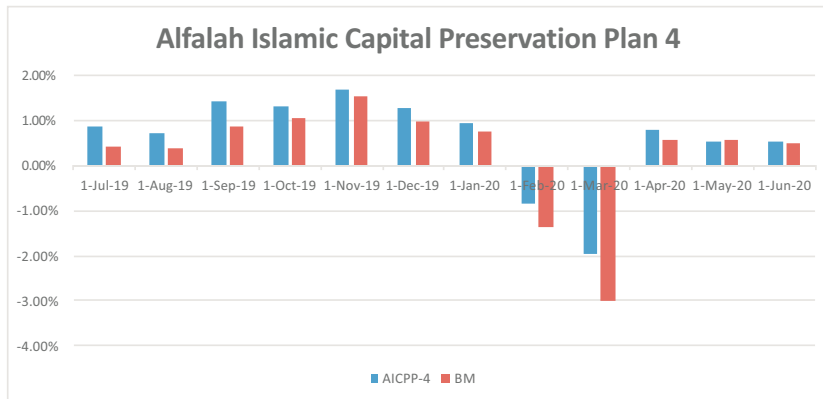
During the period, average equity exposure stood at 25.76% and fixed income at 56.85%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



Alfalsh Islamic Capital Preservation Plan 4

The fund generated a return of 7.43% against the benchmark which generated 3.25%.

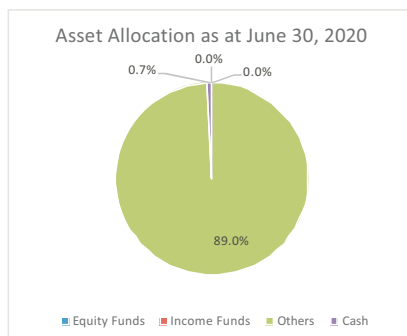
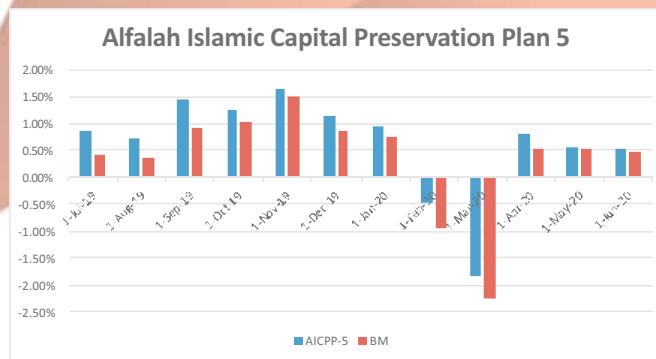
During the period, average equity exposure stood at 6.81% and fixed income at 86.09%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



Alfalsh Islamic Capital Preservation Plan 5

The fund generated a return of 7.94% against the benchmark which generated 4.28%.

During the period, average equity exposure stood at 5.90% and fixed income at 82.80%. The fund outperformed the benchmark due to the lower equity allocation in declining stock market.



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

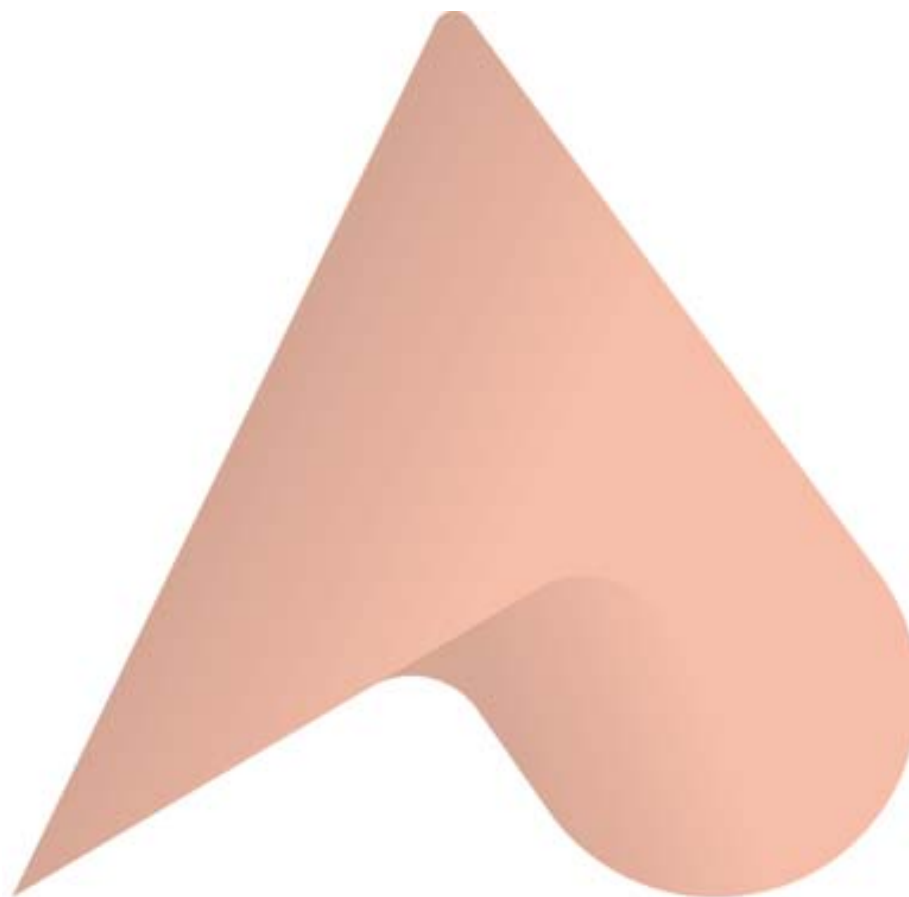
There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.



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S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Prosperity Planning Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

A handwritten signature in black ink, appearing to read 'Badiuddin Akber', is positioned above the printed name.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of Alfalah GHP Investment Management Limited (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of Alfalah GHP Islamic Prosperity Planning Fund (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2020, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund.

Management's Responsibility for Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed in respect of investments made by the Fund, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance with respect to making investments of the Fund in accordance with Shariah Principles.
- checking that the Shariah Advisor has certified that the investments made during the year ended June 30, 2020 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed statement, presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed in respect of investments made by the Fund for the year ended June 30, 2020.

A. F. Ferguson & Co.
Chartered Accountants
Dated: September 28, 2020
Karachi



SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND.

We, the Shariah Advisory Board of the Alfalah GHP Islamic Prosperity Planning Fund ('AGIPPF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisory Board, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisory Board of the Fund, we have checked following avenues presented to us by the Management in which AGIPPF made Investment during the period from July 1, 2019 to June 30, 2020.

Investment Head	Investment Avenue
Shariah Compliant Funds	Alfalsh GHP Islamic Dedicated Equity Fund Alfalsh GHP Islamic Income Fund and

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

According to the instructions, if any income is earned by the Fund from the investments whereby a portion of income of such investment has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes. However, during the year ended June 30, 2020, no such income is earned.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board



Mufti Shaikh Noman
Shariah Advisor



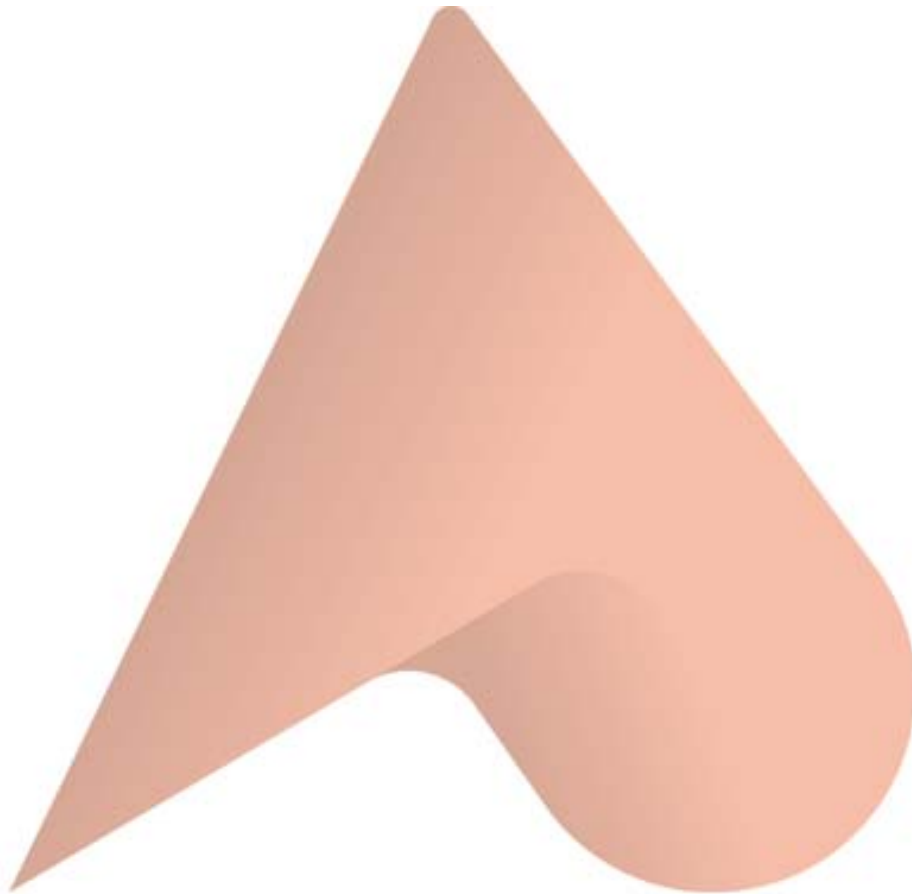
Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Prosperity Planning Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2020. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 29, 2020

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Prosperity Planning Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Prosperity Planning Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 833.65 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2020

		2020						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
		(Rupees)						
Assets								
Bank balances	4	6,882,171	5,341,838	5,614,203	10,593,799	2,624,098	2,635,981	33,692,090
Investments	5	75,016,738	236,573,737	348,743,689	59,871,065	86,062,396	27,386,572	833,654,197
Preliminary expenses and floatation costs	6	-	54,753	-	-	-	-	54,753
Profit receivable on bank balances		12,247	709,257	230,856	107,150	33,703	166,481	1,259,694
Receivable against sale of investments	7	-	-	-	-	-	-	-
Advance tax, prepayments and other receivable		-	207,550	3,700	39,808	651	-	251,709
Total assets		81,911,156	242,887,135	354,592,448	70,611,822	88,720,848	30,189,034	868,912,443
Liabilities								
Payable to the Management Company	8	539,763	253,928	131,211	293,171	85,079	101,721	1,404,873
Payable to the Trustee	9	78,634	22,563	23,546	30,555	5,827	15,719	176,844
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	30,886	55,586	75,133	36,677	24,021	9,132	231,435
Payable against redemption of units		-	-	-	-	579,218	68,953	648,171
Accrued and other liabilities	11	11,162,938	11,603,470	4,173,713	1,290,029	1,988,996	996,915	31,216,061
Total liabilities		11,812,221	11,935,547	4,403,603	1,650,432	2,683,141	1,192,440	33,677,384
Net assets attributable to unit holders		70,098,935	230,951,588	350,188,845	68,961,390	86,037,707	28,996,594	835,235,059
Unit holders' funds (as per the statement attached)		70,098,935	230,951,588	350,188,845	68,961,390	86,037,707	28,996,594	835,235,059
Contingencies and commitments								
Number of units in issue	12	711,315	2,323,132	3,887,459	848,504	858,027	289,219	
		(Rupees)						
Net asset value per unit		98.5484	99.4139	90.0817	81.2741	100.2739	100.2582	

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2019

		2019						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
		(Rupees)						
Assets								
Bank balances	4	4,601,461	9,147,772	5,089,424	14,076,201	3,240,361	3,244,196	39,399,415
Investments	5	299,459,239	368,332,603	409,901,165	589,811,116	168,042,629	53,503,579	1,889,050,331
Preliminary expenses and floatation costs	6	-	112,947	-	-	-	-	112,947
Profit receivable on bank balances		559,712	15,079	575,174	38,450	61,623	24,246	1,274,284
Receivable against sale of investments	7	-	-	-	-	5,788,837	-	5,788,837
Advance tax, prepayments and other receivable		-	207,550	-	29,020	-	-	236,570
Total assets		304,620,412	377,815,951	415,565,763	603,954,787	177,133,450	56,772,021	1,935,862,384
Liabilities								
Payable to the Management Company	8	589,789	423,489	434,763	433,461	278,110	116,510	2,276,122
Payable to the Trustee	9	68,390	42,639	40,335	34,263	24,370	20,943	230,940
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	390,244	591,757	919,904	662,016	383,528	30,447	2,977,896
Payable against redemption of units		-	-	-	-	-	-	-
Accrued and other liabilities	11	9,889,115	9,056,573	3,271,781	510,298	2,695,391	727,822	26,150,980
Total liabilities		10,937,538	10,114,458	4,666,783	1,640,038	3,381,399	895,722	31,635,938
Net assets attributable to unit holders		293,682,874	367,701,493	410,898,980	602,314,749	173,752,051	55,876,299	1,904,226,446
Unit holders' funds (as per the statement attached)		293,682,874	367,701,493	410,898,980	602,314,749	173,752,051	55,876,299	1,904,226,446
Contingencies and commitments								
Number of units in issue	12	2,991,075	3,703,831	4,533,974	6,478,323	1,734,128	557,750	
		(Rupees)						
Net asset value per unit		98.1864	99.2760	90.6267	92.9739	100.1956	100.1816	

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020							
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note ----- (Rupees) -----							
Income							
Profit on bank balances	3,143,480	4,486,608	5,968,345	1,622,071	874,326	550,824	16,645,654
Unrealised loss on revaluation of investments classified as "financial assets at fair value through profit or loss" - net	5.2 (3,083,953)	(3,605,499)	(24,449,464)	(4,874,619)	(1,264,816)	(402,770)	(37,681,121)
Gain / (loss) on sale of investments - net	4,600,853	6,583,448	6,214,389	8,883,318	(342,295)	1,043,741	26,983,454
Dividend income	8,773,527	20,328,218	20,782,464	5,661,753	6,019,788	3,337,927	64,903,677
Other income	-	-	-	-	4,805,033	-	4,805,033
Total income	13,433,907	27,792,775	8,515,734	11,292,523	10,092,036	4,529,722	75,656,697
Expenses							
Remuneration of the Management Company	8.1 271,026	491,329	618,241	233,113	97,659	61,568	1,772,936
Sindh sales tax on remuneration of the Management Company	8.2 35,233	63,876	80,372	37,008	12,712	7,997	237,198
Remuneration of the Trustee	9.1 107,750	195,792	262,862	123,749	84,252	31,919	806,324
Sindh sales tax on remuneration of the Trustee	9.2 14,014	25,453	34,165	17,363	10,955	4,149	106,099
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10 30,911	55,611	75,133	36,702	24,046	9,132	231,535
Amortisation of preliminary expenses and floatation costs	6 -	58,194	-	-	-	-	58,194
Shariah advisory fee	6,718	22,113	33,552	6,603	8,237	10,213	87,436
Auditors' remuneration	13 87,328	287,447	436,124	85,834	107,068	36,084	1,039,885
Annual listing fee	1,848	6,081	9,227	1,816	2,265	3,964	25,201
Annual rating fee	-	-	-	-	-	-	-
Printing charges	4,199	13,821	20,970	4,127	5,148	3,554	51,819
Bank charges	3,756	3,720	25	5,643	-	5,610	18,754
Allocated expenses	8.3 151,962	276,383	375,642	160,015	119,895	45,585	1,129,482
Provision against Sindh Workers' Welfare Fund	11.1 254,384	525,859	131,388	211,611	192,396	86,199	1,401,837
Total expenses	969,129	2,025,679	2,077,701	923,584	664,633	305,974	6,966,700
Net income for the year before taxation	12,464,778	25,767,096	6,438,033	10,368,939	9,427,403	4,223,748	68,689,997
Taxation	15 -	-	-	-	-	-	-
Net income for the year after taxation	12,464,778	25,767,096	6,438,033	10,368,939	9,427,403	4,223,748	68,689,997
Allocation of net income for the year							
Net income for the year after taxation	12,464,778	25,767,096	6,438,033	10,368,939	9,427,403	4,223,748	68,689,997
Income already paid on units redeemed	(8,502,503)	(6,326,216)	(2,106)	(648,511)	(3,385,672)	(2,064,898)	(20,929,906)
	3,962,275	19,440,880	6,435,927	9,720,428	6,041,731	2,158,850	47,760,091
Accounting income available for distribution							
- Relating to capital gains	1,516,900	2,977,949	-	4,008,699	-	640,971	9,144,519
- Excluding capital gains	2,445,375	16,462,931	6,435,927	5,711,729	6,041,731	1,517,879	38,615,572
	3,962,275	19,440,880	6,435,927	9,720,428	6,041,731	2,158,850	47,760,091

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

	For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Income	----- (Rupees) -----						
Profit on bank balances	774,251	498,181	812,804	708,667	17,733,455	368,569	20,895,927
Unrealised (loss) / gain on revaluation of investments classified as "financial assets at fair value through profit or loss"	5.2 (8,538,739)	(10,283,808)	(8,379,624)	(10,289,063)	(1,957,778)	(1,517,442)	(40,966,454)
(Loss) / gain on sale of investments - net	(27,721,574)	(36,525,250)	(87,222,396)	(64,905,857)	(9,397,240)	528,855	(225,243,462)
Dividend income	60,353,253	74,310,490	64,768,093	50,690,930	19,771,405	3,637,818	273,531,989
Other income	-	-	133,977	1,480,716	-	-	1,614,693
Total income / (loss)	24,867,191	27,999,613	(29,887,146)	(22,314,607)	26,149,842	3,017,800	29,832,693
Expenses							
Remuneration of the Management Company	8.1 109,723	82,113	188,237	177,769	2,569,311	50,336	3,177,489
Sindh sales tax on remuneration of the Management Company	8.2 14,263	10,678	24,466	23,110	334,006	6,540	413,063
Remuneration of the Trustee	9.1 429,612	643,581	982,231	703,254	415,645	37,095	3,211,418
Sindh sales tax on remuneration of the Trustee	9.2 55,702	83,664	127,698	91,242	54,036	4,826	417,168
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10 390,244	591,757	919,904	662,016	383,528	30,447	2,977,896
Amortisation of preliminary expenses and floatation costs	6 -	58,035	-	-	-	-	58,035
Shariah advisory fee	51,079	63,889	71,119	104,210	30,266	46,735	367,298
Auditors' remuneration	13 121,138	151,521	168,668	247,144	71,780	23,001	783,252
Annual listing fee	4,224	5,283	13,220	8,617	-	-	31,344
Annual rating fee	28,611	35,787	38,653	58,372	17,307	22,065	200,795
Printing charges	14,390	18,000	13,882	29,360	10,677	11,048	97,357
Bank charges	22,309	760	22,980	28,371	30,226	-	104,646
Allocated expenses	8.3 521,737	791,166	1,226,528	866,176	511,349	40,727	3,957,683
Provision against Sindh Workers' Welfare Fund	11.1 462,084	509,268	-	-	434,449	54,899	1,460,700
Total expenses	2,225,116	3,045,502	3,797,586	2,999,641	4,862,580	327,719	17,258,144
Net income / (loss) for the year / period before taxation	22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Taxation	15 -	-	-	-	-	-	-
Net income / (loss) for the year / period after taxation	22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Allocation of net income for the year / period							
Net income for the year / period after taxation	22,642,075	24,954,111	-	-	21,287,262	2,690,081	71,573,529
Income already paid on units redeemed	(8,743,504)	(13,545,863)	-	-	(14,712,040)	(743,039)	(37,744,446)
	13,898,571	11,408,248	-	-	6,575,222	1,947,042	33,829,083
Accounting income available for distribution							
- Relating to capital gains	-	-	-	-	-	-	-
- Excluding capital gains	13,898,571	11,408,248	-	-	6,575,222	1,947,042	33,829,083
	13,898,571	11,408,248	-	-	6,575,222	1,947,042	33,829,083

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND**STATEMENT OF COMPREHENSIVE INCOME***FOR THE YEAR ENDED JUNE 30, 2020*

For the year ended June 30, 2020

	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
	(Rupees)						
Net income for the year before taxation	12,464,778	25,767,096	6,438,033	10,368,939	9,427,403	4,223,748	68,689,997
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	<u>12,464,778</u>	<u>25,767,096</u>	<u>6,438,033</u>	<u>10,368,939</u>	<u>9,427,403</u>	<u>4,223,748</u>	<u>68,689,997</u>

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)_____
Chief Executive Officer_____
Chief Financial Officer_____
Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total	
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservatio n Plan V		
(Rupees)							
Net income / (loss) for the year / period before taxation	22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Other comprehensive income for the year / period	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year / period	22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Islamic Moderate Allocation Plan			Islamic Balanced Allocation Plan			Islamic Active Allocation Plan II		
	For the year ended			For the year ended			For the year ended		
	Capital Value	Undistributed loss	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed loss	Total
Rupees			Rupees			Rupees			
Net assets at the beginning of the year	327,469,619	(33,786,745)	293,682,874	289,884,325	77,817,168	367,701,493	597,893,576	(186,994,596)	410,898,980
Issuance of units (refer note 19)									
- Capital value (at net asset value per unit at the beginning of the year / period)	3,227,190	-	3,227,190	19,043,319	-	19,043,319	9,295,397	-	9,295,397
- Element of income	7,154	-	7,154	274,153	-	274,153	3,402	-	3,402
Total proceeds on issuance of units	3,234,344	-	3,234,344	19,317,472	-	19,317,472	9,298,799	-	9,298,799
Redemption of units (refer note 19)									
2,312,628 units (Islamic Moderate Allocation Plan),									
1,572,521 units (Islamic Balanced Allocation Plan),									
749,083 units (Islamic Active Allocation Plan II)									
5,739,828 units (Islamic Active Allocation Plan III),									
932,907 units (Capital Preservation Plan IV) and									
286,802 units (Capital Preservation Plan V)									
- Capital value (at net asset value per unit at the beginning of the year)	227,068,609	-	227,068,609	156,113,581	-	156,113,581	67,886,901	-	67,886,901
- Element of loss / (income)	3,665	8,502,503	8,506,168	251,986	6,326,216	6,578,202	2,121,165	2,106	2,123,271
Total payments on redemption of units	227,072,274	8,502,503	235,574,777	156,365,567	6,326,216	162,691,783	70,008,066	2,106	70,010,172
Total comprehensive income for the year	-	12,464,778	12,464,778	-	25,767,096	25,767,096	-	6,438,033	6,438,033
Final distribution for the year ended June 30, 2020 @									
Rs 5.4490 per unit (Islamic Moderate Allocation Plan),	-	(3,708,284)	(3,708,284)	-	-	-	-	-	-
Rs 8.8238 per unit (Islamic Balanced Allocation Plan),	-	-	-	-	(19,142,690)	(19,142,690)	-	-	-
Rs 0.3125 per unit (Islamic Active Allocation Plan II),	-	-	-	-	-	-	-	(6,436,795)	(6,436,795)
Rs 12.6758 per unit (Islamic Active Allocation Plan III),	-	-	-	-	-	-	-	-	-
Rs 7.3595 per unit (Islamic Capital Preservation Plan IV) and	-	-	-	-	-	-	-	-	-
Rs 7.8755 per unit (Islamic Capital Preservation Plan V)	-	-	-	-	-	-	-	-	-
on June 30, 2020									
Net income for the year less distribution	-	8,756,494	8,756,494	-	6,624,406	6,624,406	-	1,238	1,238
Net assets at the end of the year	103,631,689	(33,532,754)	70,098,935	152,836,230	78,115,358	230,951,588	537,184,309	(186,995,464)	350,188,845
(Accumulated loss) / undistributed income brought forward									
- Realised (loss) / income		(25,248,006)			88,100,976			(178,614,972)	
- Unrealised loss		(8,538,739)			(10,283,808)			(8,379,624)	
		(33,786,745)			77,817,168			(186,994,596)	
Accounting income available for distribution									
- Relating to capital gains	1,516,900			2,977,949			-		
- Excluding capital gains	2,445,375			16,462,931			6,435,927		
	3,962,275			19,440,880			6,435,927		
Distribution during the year	(3,708,284)			(19,142,690)			(6,436,795)		
Undistributed income carried forward	(33,532,754)			78,115,358			(186,995,464)		
Undistributed income carried forward									
- Realised (loss) / income		(30,448,801)			81,720,857			(162,546,000)	
- Unrealised loss		(3,083,953)			(3,605,499)			(24,449,464)	
		(33,532,754)			78,115,358			(186,995,464)	
Accounting income available for distribution									
- Relating to capital gains	1,516,900			2,977,949			-		
- Excluding capital gains	2,445,375			16,462,931			6,435,927		
	3,962,275			19,440,880			6,435,927		
Net asset value per unit at the beginning of the year			(Rupees) 98,1864			(Rupees) 99,2760			(Rupees) 90,6267
Net asset value per unit at the end of the year			98,5484			99,4139			90,0817

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	Islamic Active Allocation Plan III			Islamic Capital Preservation Plan IV			Islamic Capital Preservation Plan V			Total
	For the year ended			For the year ended			For the year ended			
	June 30, 2020			June 30, 2020			June 30, 2020			
Capital Value	Undistrib- uted loss	Total	Capital Value	Undistrib- uted income	Total	Capital Value	Undistrib- uted income	Total		
----- Rupees -----										
Net assets at the beginning of the year	680,616,943	(78,302,194)	602,314,749	173,423,239	328,812	173,752,051	328,812	97,332	55,778,967	1,904,226,446
Issuance of units:										
- Capital value (at net asset value per unit at the beginning of the year / period)	10,227,962	-	10,227,962	5,691,713	-	5,691,713	1,830,418	-	1,830,418	49,315,999
- Element of income	(1,333,709)	-	(1,333,709)	36,618	-	36,618	1,311	-	1,311	(1,011,071)
Total proceeds on issuance of units	8,894,253	-	8,894,253	5,728,331	-	5,728,331	1,831,729	-	1,831,731	48,304,928
Redemption of units:										
2,312,628 units (Islamic Moderate Allocation Plan), 1,572,521 units (Islamic Balanced Allocation Plan), 749,083 units (Islamic Active Allocation Plan II), 5,739,828 units (Islamic Active Allocation Plan III), 932,907 units (Capital Preservation Plan IV) and 286,802 units (Capital Preservation Plan V)										
- Capital value (at net asset value per unit at the beginning of the year)	533,654,017	-	533,654,017	93,473,207	-	93,473,207	28,732,289	-	28,732,289	1,106,928,604
- Element of loss / (income)	8,953,016	648,511	9,601,527	6,976	3,385,672	3,392,648	32	2,064,898	2,064,930	32,266,746
Total payments on redemption of units	542,607,033	648,511	543,255,544	93,480,183	3,385,672	96,865,856	28,732,321	2,064,898	28,732,321	1,139,195,350
Total comprehensive income for the year	-	10,368,939	10,368,939	-	9,427,403	9,427,403	-	4,223,748	4,223,748	68,689,997
Final distribution for the year ended June 30, 2020 @ Rs 5.4490 per unit (Islamic Moderate Allocation Plan), Rs 8.8238 per unit (Islamic Balanced Allocation Plan), Rs 0.3125 per unit (Islamic Active Allocation Plan II), Rs 12.6758 per unit (Islamic Active Allocation Plan III), Rs 7.3595 per unit (Islamic Capital Preservation Plan IV) and Rs 7.8755 per unit (Islamic Capital Preservation Plan V) on June 30, 2020										
Net income for the year less distribution	-	1,007,932	1,007,932	-	3,423,181	3,423,181	-	2,085,783	2,085,783	21,899,034
Net assets at the end of the year	146,904,163	(77,942,773)	68,961,390	85,671,387	366,321	86,037,707	28,878,375	118,217	28,996,594	835,235,059
(Accumulated loss) / undistributed income brought forward										
- Realised (loss) / income		(68,013,131)			2,286,590			1,614,774		
- Unrealised loss		(10,289,063)			(1,957,778)			(1,517,442)		
Accounting income available for distribution		(78,302,194)			328,812			97,332		
- Relating to capital gains		4,008,699			-			640,971		
- Excluding capital gains		5,711,729			6,041,731			1,517,879		
		9,720,428			6,041,731			2,158,850		
Distribution during the year / period		(9,361,007)			(6,004,222)			(2,137,965)		
Undistributed income carried forward		(77,942,773)			366,321			118,217		
Undistributed income carried forward										
- Realised (loss) / income		(73,068,154)			1,631,137			520,987		
- Unrealised loss		(4,874,619)			(1,264,816)			(402,770)		
Accounting income available for distribution		(77,942,773)			366,321			118,217		
- Relating to capital gains		4,008,699			-			640,971		
- Excluding capital gains		5,711,729			6,041,731			1,517,879		
		9,720,428			6,041,731			2,158,850		
Net asset value per unit at the beginning of the year			(Rupees) 92.9739			(Rupees) 100.1956			(Rupees) 100.1816	
Net asset value per unit at the end of the year			81.2741			100.2739			100.2582	

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	Islamic Active Allocation Plan III			Islamic Capital Preservation Plan IV			Islamic Capital Preservation Plan V			Total
	For the year ended			For the period from July 13, 2018 to June 30,			For the period from December 14, 2018 to			
	Capital Value	Undistributed loss	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	
Rupees			Rupees			Rupees			Rupees	
Net assets at the beginning of the year	1,033,728,426	(52,987,946)	980,740,480	-	-	-	-	-	-	4,930,741,968
Issuance of units:										
- Capital value (at net asset value per unit at the beginning of the year / period)	-	-	-	904,338,500	-	904,338,500	105,851,500	-	105,851,500	1,486,699,817
- Element of income	-	-	-	132,297	-	132,297	7,974	-	7,974	11,502,684
Total proceeds on issuance of units	-	-	-	904,470,797	-	904,470,797	105,859,474	-	105,859,474	1,498,202,501
Redemption of units:										
- Capital value (at net asset value per unit at the beginning of the year)	368,836,494	-	368,836,494	730,925,700	-	730,925,700	50,076,500	-	50,076,500	4,419,242,428
- Element of loss / (income)	(15,725,011)	-	(15,725,011)	114,357	14,712,040	14,826,397	3,920	743,039	746,959	6,805,766
Total payments on redemption of units	353,111,483	-	353,111,483	731,040,057	14,712,040	745,752,097	50,080,420	743,039	50,823,459	4,426,048,194
Total comprehensive income / (loss) for the year	-	(25,314,248)	(25,314,248)	-	21,287,262	21,287,262	-	2,690,081	2,690,081	12,574,549
Bonus distribution for the year ended June 30, 2018 @ Rs 6.0074 per unit on July 02, 2018	-	-	-	-	-	-	-	-	-	(78,015,824)
Final distribution for the year ended June 30, 2019 @ Rs 4.5953 per unit (Islamic Moderate Allocation Plan), Rs 3.3133 per unit (Islamic Balanced Allocation Plan), Rs 3.7162 per unit (Islamic Capital Preservation Plan IV) and Rs 3.4161 per unit (Islamic Capital Preservation Plan V) on June 30, 2019	-	-	-	(7,501)	(6,246,410)	(6,253,911)	(87)	(1,849,710)	(1,849,797)	(1,849,797)
Net income / (loss) for the year less distribution	-	(25,314,248)	(25,314,248)	(7,501)	15,040,852	15,033,351	(87)	840,371	840,284	(98,669,829)
Net assets at the end of the year	680,616,943	(78,302,194)	602,314,749	173,423,239	328,812	173,752,051	55,778,967	97,332	55,876,299	1,904,226,446
Undistributed income brought forward										
- Realised income / (loss)		(29,364,256)			-			-		
- Unrealised loss		(23,623,690)								
		(52,987,946)								
Net income / (loss) for the year after taxation less income already paid on units redeemed		(25,314,248)			6,575,222			1,947,042		
Distribution during the year / period		-			(6,246,410)			(1,849,710)		
Undistributed income carried forward		(78,302,194)			328,812			97,332		
Undistributed income carried forward										
- Realised income / (loss)		(68,013,131)			2,286,590			1,614,774		
- Unrealised loss		(10,289,063)			(1,957,778)			(1,517,442)		
		(78,302,194)			328,812			97,332		
Accounting income available for distribution										
- Relating to capital gains		-			-			-		
- Excluding capital gains		-			6,575,222			1,947,042		
		-			6,575,222			1,947,042		
Net asset value per unit at the beginning of the year			(Rupees) 95.2688			(Rupees) -				(Rupees) -
Net asset value per unit at the end of the year			92.9739			100.1956				100.1816

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

For the year ended June 30, 2020							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
Note ----- (Rupees) -----							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	12,464,778	25,767,096	6,438,033	10,368,939	9,427,403	4,223,748	68,689,997
Adjustments for:							
Amortisation of preliminary expenses and floatation costs	-	58,194	-	-	-	-	58,194
Unrealised loss on revaluation of investments classified as "financial assets at fair value through profit or loss" - net	3,083,953	3,605,499	24,449,464	4,874,619	1,264,816	402,770	37,681,121
Provision against Sindh Workers' Welfare Fund	254,384	525,859	131,388	211,611	192,396	86,199	1,401,837
	15,803,115	29,956,648	31,018,885	15,455,169	10,884,615	4,712,717	107,831,149
Decrease / (increase) in assets							
Investments - net	221,358,548	128,153,367	36,708,012	525,065,432	80,715,417	25,714,237	1,017,715,013
Profit receivable on bank balances	547,465	(694,178)	344,318	(68,700)	27,920	(142,235)	14,590
Receivable against sale of investments	-	-	-	-	5,788,837	-	5,788,837
Advance tax, prepayments and other receivable	-	-	(3,700)	(10,788)	(651)	-	(15,139)
	221,906,013	127,459,189	37,048,630	524,985,944	86,531,523	25,572,002	1,023,503,301
Increase / (decrease) in liabilities							
Payable to the Management Company	(50,026)	(169,561)	(303,552)	(140,290)	(193,031)	(14,789)	(871,249)
Payable to the Trustee	10,244	(20,076)	(16,789)	(3,708)	(18,543)	(5,224)	(54,096)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(359,358)	(536,171)	(844,771)	(625,339)	(359,507)	(21,315)	(2,746,461)
Units to be issued against Pre-IPO subscription	-	-	-	-	-	-	-
Payable against Pre-IPO subscription	-	-	-	-	579,218	68,953	648,171
Accrued and other liabilities	1,019,439	2,021,038	770,544	568,120	(898,791)	182,894	3,663,244
	620,299	1,295,230	(394,568)	(201,217)	(890,654)	210,519	639,609
Net cash flows generated from operating activities	238,329,427	158,711,067	67,672,947	540,239,896	96,525,484	30,495,238	1,131,974,059
CASH FLOWS FROM FINANCING ACTIVITIES							
Amount received on issuance of units	3,234,344	19,317,472	9,298,799	8,894,253	5,728,331	1,831,731	48,304,930
Amount paid on redemption of units	(235,574,777)	(162,691,783)	(70,010,172)	(543,255,544)	(96,865,856)	(30,797,219)	(1,139,195,351)
Dividend paid	(3,708,284)	(19,142,690)	(6,436,795)	(9,361,007)	(6,004,222)	(2,137,965)	(46,790,963)
Net cash flows used in financing activities	(236,048,717)	(162,517,001)	(67,148,168)	(543,722,298)	(97,141,747)	(31,103,453)	(1,137,681,384)
Net increase / (decrease) in cash and cash equivalents during the year	2,280,710	(3,805,934)	524,779	(3,482,402)	(616,263)	(608,215)	(5,707,325)
Cash and cash equivalents at beginning of the year	4,601,461	9,147,772	5,089,424	14,076,201	3,240,361	3,244,196	39,399,415
Cash and cash equivalents at end of the year	4 6,882,171	5,341,838	5,614,203	10,593,799	2,624,098	2,635,981	33,692,090

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	For the year ended June 30, 2019				For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total
	Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	
Note (Rupees)							
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income / (loss) for the year / period before taxation	22,642,075	24,954,111	(33,684,732)	(25,314,248)	21,287,262	2,690,081	12,574,549
Adjustments for:							
Amortisation of preliminary expenses and floatation costs	-	58,035	-	-	-	-	58,035
Unrealised loss on revaluation of investments classified as "financial assets at fair value through profit or loss" - net	8,538,739	10,283,808	8,379,624	10,289,063	1,957,778	1,517,442	40,966,454
Provision against Sindh Workers' Welfare Fund	462,084	509,268	-	-	434,449	54,899	1,460,700
	31,642,898	35,805,222	(25,305,108)	(15,025,185)	23,679,489	4,262,422	55,059,738
Decrease / (increase) in assets							
Investments - net	549,123,921	982,446,988	1,315,548,664	377,165,150	(170,000,407)	(55,021,021)	2,999,263,295
Profit receivable on bank balances	(361,009)	380,696	(85,120)	25,729	512,669	(24,246)	448,719
Receivable against sale of investments	-	-	-	-	(5,788,837)	-	(5,788,837)
Advance tax, prepayments and other receivable	-	-	-	(29,020)	-	-	(29,020)
	548,762,912	982,827,684	1,315,463,544	377,161,859	(175,276,575)	(55,045,267)	2,993,894,157
(Decrease) / increase in liabilities							
Payable to the Management Company	(373,566)	(631,997)	(474,036)	(109,920)	278,110	116,510	(1,194,899)
Payable to the Trustee	(149,527)	(70,118)	(55,556)	(448,407)	24,370	20,943	(678,295)
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	(702,313)	(1,218,288)	(493,077)	(123,885)	383,528	30,447	(2,123,588)
Units to be issued against Pre-IPO subscription	-	-	-	-	(551,326,905)	-	(551,326,905)
Payable against Pre-IPO subscription	-	-	-	-	(574,292)	-	(574,292)
Accrued and other liabilities	1,666,604	(1,768,105)	(110,535)	195,649	2,260,942	672,923	2,917,478
	441,198	(3,688,508)	(1,133,204)	(486,563)	(548,954,247)	840,823	(552,980,501)
Net cash flows generated from / (used in) operating activities	580,847,008	1,014,944,398	1,289,025,232	361,650,111	(700,551,333)	(49,942,022)	2,495,973,394
CASH FLOWS FROM FINANCING ACTIVITIES							
Amount received on issuance of units	269,515,305	140,026,309	-	-	904,463,296	105,859,387	1,419,864,297
Amount paid on redemption of units	(835,638,968)	(1,154,950,256)	(1,286,272,815)	(353,153,571)	(745,752,097)	(50,823,459)	(4,426,591,166)
Dividend paid	(13,203,582)	(11,606,472)	-	-	(6,246,410)	(1,849,710)	(32,906,174)
Net cash flows (used in) / generated from financing activities	(579,327,245)	(1,026,530,419)	(1,286,272,815)	(353,153,571)	152,464,789	53,186,218	(3,039,633,043)
Net increase / (decrease) in cash and cash equivalents during the year / period	1,519,763	(11,586,021)	2,752,417	8,496,540	(548,086,544)	3,244,196	(543,659,649)
Cash and cash equivalents at beginning of the year / period	3,081,698	20,733,793	2,337,007	5,579,661	551,326,905	-	583,059,064
Cash and cash equivalents at end of the year / period	4,601,461	9,147,772	5,089,424	14,076,201	3,240,361	3,244,196	39,399,415

The annexed notes 1 to 23 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC PROSPERITY PLANNING FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Prosperity Planning Fund (the Fund) is an open-ended Fund constituted under a trust deed entered into on March 15, 2016 between Alfalah GHP Investment Management Limited (Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was registered by the Securities and Exchange Commission of Pakistan (the SECP) under the Non Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) vide its letter No. SCD/AMCW/AGIML/437/2016 dated April 25, 2016 and the Offering Document of the Fund was approved by the SECP vide its letter No. SCD/AMCW/AGIPPF/449/2016 dated May 02, 2016.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Fund of Funds scheme' pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the Trust Deed, the objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. The duration of the fund is perpetual, however, allocation plans may have a set time frame. The Fund invests in units of other mutual funds, bank deposits. The investment objectives and policy are explained in the Fund's offering document. Presently, the Fund offers following allocation plans:

- a. Alfalah GHP Islamic *Moderate Allocation Plan (MAP): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- b. Alfalah GHP Islamic Balanced Allocation Plan (BAP) is perpetual.
- c. Alfalah GHP Islamic Active Allocation Plan II (AAP II): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- d. Alfalah GHP Islamic Active Allocation Plan III (AAP III): The initial maturity of plan was two (2) years from the close of subscription period. However the duration of the plan has been changed to perpetual.
- e. Alfalah Islamic Capital Preservation Plan IV (CPP IV): The initial maturity of plan was twenty four (24) months from the close of subscription period. However the duration of the plan has been changed to perpetual.
- f. Alfalah Islamic Capital Preservation Plan V (CPP V): The initial maturity of plan was twenty four (24) months from the close of subscription period. However the duration of the plan has been changed to perpetual.

The management has renamed Alfalah GHP Islamic Active Allocation Plan to Alfalah GHP Islamic Moderate Allocation Plan.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (stable outlook) to the Management Company on August 9, 2019.

Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The directors of the Management Company declare that these financial statements give a true and fair view of the state of affairs of the Fund.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting period beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1, 3.3.2 and 5)
- ii. Impairment of financial assets (note 3.3.3)
- iii. Taxation (note 3.7 and 15)

2.5 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for investments held at 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except for the change in accounting policy as explained in note 2.2 above.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification

Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income “(FVOCI)”
- at fair value through profit or loss (FVTPL) based on the business model of the entity

The investments of the Fund includes investments in units of mutual funds which are categorised as Puttable Instruments and are mandatorily classified as fair value through profit or loss.

3.3.2 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial assets at fair value through profit or loss'

Basis of valuation in the units of mutual funds

The investments of the Fund in the collective investment scheme are valued on the basis of daily net assets value (NAV) announced by the management company.

The fair value of financial instruments i.e. investment in mutual funds is based on their net asset value at the reporting date without any deduction for estimated future selling costs.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the Income Statement.

3.3.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted around that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

3.3.5 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Provided that, for the purpose of determining distribution of at least 90% of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Dividend income is recognized when the Fund's right to receive the same is established. i.e. on the commencement of date of book closure of the investee Fund declaring the dividend.
- Profit on bank balances is recognized on a time proportion basis using the effective yield method.

3.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.14 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

3.15 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non- Banking Finance Companies and Notified Entities Regulations, 2008.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES

2020						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note (Rupees)

Deposit accounts	4.1	6,882,171	5,341,838	5,614,203	10,593,799	2,624,098	2,640,066	33,696,175
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2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note (Rupees)

Deposit accounts	4.1	4,601,461	9,147,772	5,089,424	14,076,201	3,240,361	3,244,196	39,399,415
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- 4.1 These represent balances in saving accounts maintained with banks carrying profit rates ranging from 3.98% to 13.25% (2019: 4.75% to 12.50%) per annum. This includes Rs 20.91 million (2019: Rs 22.82 million) placed with Bank Alfalah Limited (a related party), carrying profit at the rate of 6.5% (2019: 10.50%) per annum.

5 INVESTMENTS

2020						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note (Rupees)

At fair value through profit or loss

Open end mutual funds - Quoted	5.1	75,016,738	236,573,737	348,743,689	59,871,065	86,062,396	27,386,572	833,654,197
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2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note (Rupees)

At fair value through profit or loss

Open end mutual funds - Quoted	5.1	299,459,239	368,332,603	409,901,165	589,811,116	168,042,629	53,503,579	1,889,050,331
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5.1 Open end mutual funds - quoted - 'at fair value through profit or loss'

Islamic Moderate Allocation Plan

Particulars	As at July 01, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
				(No. of Units)		(Rupees)		(%)	
Alfalah GHP Islamic Income Fund *	2,938,706	3,830,592	6,284,191	485,107	49,593,767	49,491,464	(102,303)	70.60%	65.97%
Alfalah GHP Islamic Stock Fund *	-	-	-	-	-	-	-	0.00%	0.00%
Alfalah GHP Islamic Dedicated Equity Fund *	-	1,398,339	999,266	399,073	28,506,924	25,525,274	(2,981,650)	36.41%	34.03%
Total as at June 30, 2020					78,100,691	75,016,738	(3,083,953)	107.01%	100.00%
Total as at June 30, 2019					307,997,978	299,459,239	(8,538,739)	101.97%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Balanced Allocation Plan

Particulars	As at July 01, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
				(No. of Units)		(Rupees)		(%)	
Alfalah GHP Islamic Income Fund *	3,498,815	7,363,869	8,887,403	1,975,281	201,921,866	201,537,498	(384,368)	87.26%	85.19%
Alfalah GHP Islamic Stock Fund *	-	-	-	-	-	-	-	0.00%	0.00%
Alfalah GHP Islamic Dedicated Equity Fund *	182,982	1,103,847	738,976	547,853	38,257,370	35,036,239	(3,221,131)	15.17%	14.81%
Total as at June 30, 2020					240,179,236	236,573,737	(3,605,499)	102.43%	100.00%
Total as at June 30, 2019					378,616,411	368,332,603	(10,283,808)	100.17%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Active Allocation Plan II

Particulars	As at July 01, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
				(No. of Units)		(Rupees)		(%)	
Alfalah GHP Islamic Income Fund *	3,844,955	8,236,613	10,876,646	1,204,922	123,178,591	122,944,127	(234,464)	35.11%	35.25%
Alfalah GHP Islamic Stock Fund *	-	-	-	-	-	-	-	0.00%	0.00%
Alfalah GHP Islamic Dedicated Equity Fund *	280,620	4,422,643	1,173,132	3,530,131	250,014,562	225,799,562	(24,215,000)	64.48%	64.75%
Total as at June 30, 2020					373,193,153	348,743,689	(24,449,464)	99.59%	100.00%
Total as at June 30, 2019					418,280,789	409,901,165	(8,379,624)	99.76%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Active Allocation Plan III

Particulars	As at July 01, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalsh GHP Islamic Income Fund *	5,788,040	1,719,275	7,344,306	163,009	16,663,460	16,631,740	(31,720)	24.12%	27.78%
Alfalsh GHP Islamic Dedicated Equity Fund *	-	807,971	131,917	676,054	48,082,224	43,239,325	(4,842,899)	62.70%	72.22%
Total as at June 30, 2020					64,745,684	59,871,065	(4,874,619)	86.82%	100.00%
Total as at June 30, 2019					600,100,179	589,811,116	(10,289,063)	97.92%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Capital Preservation Plan IV

Particulars	As at July 01, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalsh GHP Islamic Income Fund *	1,649,066	1,357,548	2,163,088	843,526	87,327,212	86,062,396	(1,264,816)	100.03%	100.00%
Alfalsh GHP Islamic Dedicated Equity Fund *	-	536,421	536,421	-	-	-	-	0.00%	0.00%
Total as at June 30, 2020					87,327,212	86,062,396	(1,264,816)	100.03%	100.00%
Total as at June 30, 2019					170,000,407	168,042,629	(1,957,778)	96.71%	100.00%

* These represent investments held in related parties i.e. funds under common management.

Islamic Capital Preservation Plan V

Particulars	As at July 01, 2019	Purchased during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Unrealised gain / (loss)	Market value as a percentage of	
								Net assets of the Plan	Total market value of investments
	----- (No. of Units) -----			----- (Rupees) -----			----- (%) -----		
Alfalsh GHP Islamic Income Fund *	525,052	521,697	778,332	268,417	27,789,342	27,386,572	(402,770)	94.45%	100.00%
Alfalsh GHP Islamic Dedicated Equity Fund *	-	212,792	212,792	-	-	-	-	0.00%	0.00%
Total as at June 30, 2020					27,789,342	27,386,572	(402,770)	94.45%	100.00%
Total as at June 30, 2019					55,021,021	53,503,579	(1,517,442)	95.75%	100.00%

* These represent investments held in related parties i.e. funds under common management.

5.2 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

		2020						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		----- (Rupees) -----						
Market value of investments as at June 30	5.1	75,016,738	236,573,737	348,743,689	59,871,065	86,062,396	27,386,572	833,654,197
Less: Carrying value of investments as at June 30	5.1	(78,100,691)	(240,179,236)	(373,193,153)	(64,745,684)	(87,327,212)	(27,789,342)	(871,335,318)
		<u>(3,083,953)</u>	<u>(3,605,499)</u>	<u>(24,449,464)</u>	<u>(4,874,619)</u>	<u>(1,264,816)</u>	<u>(402,770)</u>	<u>(37,681,121)</u>

2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note ----- (Rupees) -----

Market value of investments as at June 30	5.1	299,459,239	368,332,603	409,901,165	589,811,116	168,042,629	53,503,579	1,889,050,331
Less: Carrying value of investments as at June 30	5.1	(307,997,978)	(378,616,411)	(418,280,789)	(600,100,179)	(170,000,407)	(55,021,021)	(1,930,016,785)
		<u>(8,538,739)</u>	<u>(10,283,808)</u>	<u>(8,379,624)</u>	<u>(10,289,063)</u>	<u>(1,957,778)</u>	<u>(1,517,442)</u>	<u>(40,966,454)</u>

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

2020						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

(Rupees)

As at July 1	-	112,947	-	-	-	-	112,947
Amortised during the year	-	(58,194)	-	-	-	-	(58,194)
As at June 30	-	<u>54,753</u>	-	-	-	-	<u>54,753</u>

2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

(Rupees)

As at July 1	-	170,982	-	-	-	-	170,982
Amortised during the year	-	(58,035)	-	-	-	-	(58,035)
As at June 30	-	<u>112,947</u>	-	-	-	-	<u>112,947</u>

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the SECP, permits the deferral of the cost over a period not exceeding five years. Accordingly the said expenses are being amortised over a period of five years or within maturity of fund whichever is lower, effective from June 11, 2016, i.e. after the end of initial period of the Fund. Formation cost is divided amongst the allocation plans according to the ratios of their Pre IPO investments.

7 RECEIVABLE AGAINST SALE OF INVESTMENTS

This represented receivable against redemption of investments which were in units of open ended mutual funds of a related party (Alfalah GHP Islamic Dedicated Equity Fund).

8 PAYABLE TO THE MANAGEMENT COMPANY

2020						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note ----- (Rupees) -----

Management remuneration payable	8.1	93,916	36,108	2,350	97,434	3,079	44,651	277,538
Sindh sales tax payable on management remuneration	8.2	24,608	15,772	300	35,145	1,362	5,796	82,983
Payable against allocated expenses	8.3	151,963	83,594	128,561	160,592	80,638	11,274	616,622
Federal excise duty payable on management remuneration	8.4	83,821	83,234	-	-	-	-	167,055
Formation cost payable		-	-	-	-	-	40,000	40,000
Sales load payable		185,455	35,220	-	-	-	-	220,675
		<u>539,763</u>	<u>253,928</u>	<u>131,211</u>	<u>293,171</u>	<u>85,079</u>	<u>101,721</u>	<u>1,404,873</u>

		2019						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		(Rupees)						
Management remuneration payable	8.1	87,226	49,492	32,193	13,216	12,304	35,967	230,398
Sindh sales tax payable on								
management remuneration	8.2	23,788	17,458	2,720	1,718	1,686	4,672	52,042
Payable against allocated expenses	8.3	209,499	238,085	399,850	418,527	264,120	35,871	1,565,952
Federal excise duty payable on								
management remuneration	8.4	83,821	83,234	-	-	-	-	167,055
Formation cost payable		-	-	-	-	50,000	40,000	90,000
Sales load payable		185,455	35,220	-	-	-	-	220,675
		<u>589,789</u>	<u>423,489</u>	<u>434,763</u>	<u>433,461</u>	<u>328,110</u>	<u>116,510</u>	<u>2,326,122</u>

8.1 The Management Company has charged remuneration at the rate of 1.25% (2019: 1.25%) of the average annual net assets of the Plans during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the current year, an amount of Rs 0.237 million (2019: Rs 0.413 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs 0.206 million (2019: Rs 0.387 million) has been paid to the Management Company which acts as a collecting agent.

8.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

8.4 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 0.08 million (2019: Rs 0.08 million) and Rs 0.08 million (2019: Rs 0.08 million) for Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Plans would have been higher by Re 0.12 (2019: Re 0.03) per unit and Re 0.04 (2019: Re 0.02) for Islamic Moderate Allocation Plan and Islamic Balanced Allocation Plan respectively.

9 PAYABLE TO THE TRUSTEE

		2020						
		Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total
Note		(Rupees)						
Trustee remuneration payable	9.1	60,792	17,944	20,834	27,038	5,153	13,911	145,672
Sindh sales tax payable on								
Trustee remuneration	9.2	17,842	4,619	2,712	3,517	674	1,808	31,172
		<u>78,634</u>	<u>22,563</u>	<u>23,546</u>	<u>30,555</u>	<u>5,827</u>	<u>15,719</u>	<u>176,844</u>

2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note----- (Rupees) -----

Trustee remuneration payable	9.1	51,732	35,717	35,695	30,479	21,565	18,534	193,722
Sindh sales tax payable on Trustee remuneration	9.2	16,658	6,922	4,640	3,784	2,805	2,409	37,218
		<u>68,390</u>	<u>42,639</u>	<u>40,335</u>	<u>34,263</u>	<u>24,370</u>	<u>20,943</u>	<u>230,940</u>

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Average net asset value	Tariff per annum
Up to Rs 1 billion	0.10% per annum of net assets
Over Rs 1 billion	Rs 1 million plus 0.075% per annum of net assets exceeding Rs 1 billion

The same level of trustee fee was charged during the year ended June 30, 2019.

- 9.2 During the current year / period, an amount of Rs 0.106 million (2019: Rs 0.417 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.112 million (2019: Rs 0.486 million) was paid to the Trustee which acts as a collecting agent.

10 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2019: 0.075%) of the average annual net assets of the Fund.

11 ACCRUED AND OTHER LIABILITIES

2020						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note----- (Rupees) -----

Provision against Sindh Workers' Welfare Fund	11.1	5,453,422	6,163,759	3,133,514	211,034	626,845	141,134	15,729,708
Printing charges payable		83,440	117,292	21,689	37,719	11,436	13,677	285,253
Auditors' remuneration payable		97,269	123,414	322,658	165,491	72,902	27,856	809,590
Withholding and capital gain tax payable		2,663,655	4,800,701	522,112	654,415	1,228,905	358,504	10,228,292
Listing fee payable		42,158	52,945	-	10,704	-	2,989	108,796
Rating fee payable		92,130	142,752	157,451	89,182	17,705	16,619	515,839
Shariah advisory fee payable		83,338	53,277	16,289	121,484	31,203	54,600	360,191
Sales load payable		2,647,526	149,330	-	-	-	381,536	3,178,392
		<u>11,162,938</u>	<u>11,603,470</u>	<u>4,173,713</u>	<u>1,290,029</u>	<u>1,988,996</u>	<u>996,915</u>	<u>31,216,061</u>

2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

Note----- (Rupees) -----

Provision against Sindh Workers' Welfare Fund	11.1	5,199,037	5,637,900	3,002,126	-	434,449	54,935	14,328,447
Printing charges payable		79,241	109,307	62,982	33,592	8,907	11,048	305,077
Auditors' remuneration payable		9,940	42,483	24,030	79,657	46,464	23,001	225,575
Withholding and capital gain tax payable		1,743,952	2,761,799	503	158,337	2,157,301	193,947	7,015,839
Listing fee payable		40,310	63,237	8,805	8,888	-	-	121,240
Rating fee payable		92,105	142,727	38,016	89,158	17,705	16,620	396,331
Shariah advisory fee payable		76,620	112,244	135,319	140,666	30,565	46,735	542,149
Sales load payable		2,647,910	186,876	-	-	-	381,536	3,216,322
		<u>9,889,115</u>	<u>9,056,573</u>	<u>3,271,781</u>	<u>510,298</u>	<u>2,695,391</u>	<u>727,822</u>	<u>26,150,980</u>

- 11.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Plans for the period from May 21, 2015 to June 30, 2019, the net asset value of the Plans as at June 30, 2020 would have been higher by Rs. 7.67 (2019: Rs. 1.74) per unit, Rs 2.65 (2019: Rs. 1.52) per unit, Re 0.81 (2019: Re 0.66) per unit, Re 0.25 (2019: Nil) per unit, Re 0.73 (2019: Re 0.25) per unit and Re 0.49 (2019: Re 0.10) per unit for Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2020 and June 30, 2019.

13 AUDITORS' REMUNERATION

For the year ended June 30, 2020							Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V		
(Rupees)							
Audit fee	37,551	146,598	250,074	36,660	54,744	19,565	545,192
Review and other certifications	34,058	83,360	91,194	33,647	30,707	8,952	281,918
Sindh sales tax	6,113	20,121	32,316	6,360	7,934	2,674	75,518
Out of pocket expenses	9,606	37,368	62,540	9,167	13,683	4,893	137,257
	<u>87,328</u>	<u>287,447</u>	<u>436,124</u>	<u>85,834</u>	<u>107,068</u>	<u>36,084</u>	<u>1,039,885</u>

For the year ended June 30, 2019						For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V			
(Rupees)								
Audit fee	52,350	77,244	96,720	105,560	36,702	12,472	381,048	
Review and other certifications	46,727	43,639	35,274	96,887	20,585	5,707	248,819	
Sindh sales tax	8,973	11,224	12,494	18,307	5,317	1,704	58,019	
Out of pocket expenses	13,088	19,414	24,180	26,390	9,176	3,118	95,366	
	<u>121,138</u>	<u>151,521</u>	<u>168,668</u>	<u>247,144</u>	<u>71,780</u>	<u>23,001</u>	<u>783,252</u>	

14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 are 0.41%, 0.49%, 0.47%, 0.38%, 0.36% and 0.44% (2019: 0.43%, 0.38%, 0.31%, 0.34%, 0.92% and 0.44%) which includes 0.22%, 0.23%, 0.08%, 0.18%, 0.23% and 0.23% (2019: 0.25%, 0.23%, 0.22%, 0.25%, 0.69% and 0.31%) representing government levies on Islamic Moderate Allocation Plan, Islamic Balanced Allocation Plan, Islamic Active Allocation Plan II, Islamic Active Allocation Plan III, Islamic Capital Preservation Plan IV and Islamic Capital Preservation Plan V respectively such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Shariah Compliant Fund of Funds scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

Since the management company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit Holders' Fund

	2020										
	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed/ conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Dividend reinvest-ment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020	
Note	(Number of units)				(Rupees)						
- Islamic Moderate Allocation Plan											
Unit holder holding 10% or more units											
Gurmani Foundation	16.1.1	275,013	-	12,973	-	287,986	29,332,563	-	1,273,762	-	28,380,551
Barrett Hodgson Pakistan (Private) Limited	16.1.1	109,255	-	5,154	-	114,409	11,652,983	-	506,029	-	11,274,821
Dr. Tariq Riaz	16.1.1	109,535	-	4,255	-	113,790	11,682,909	-	417,800	-	11,213,819
Aftab Faizullah Tapal	16.1.1	110,019	-	5,190	-	115,209	11,734,520	-	509,570	-	11,353,659
- Islamic Balanced Allocation Plan											
Key management personnel											
Head of Operation	16.1.1	112	-	8	-	120	11,933	-	839	-	11,930
Unit holder holding 10% or more units											
Gurmani Foundation	16.1.1	564,972	-	42,683	-	607,655	56,088,160	-	4,237,423	-	60,409,347
Fatima Mavara Sayyid	16.1.1	229,079	-	14,253	-	243,332	24,437,700	-	1,414,944	-	24,190,581
- Islamic Active Allocation Plan II											
Associate											
Bank Alfalah Limited - Employees Gratuity Fund	16.1.1	1,500,000	-	28,052	-	1,528,052	146,188,650	-	2,526,965	-	137,649,494
Unit holder holding 10% or more units											
PSCOL Staff Provident Fund	16.1.1	428,123	-	8,006	-	436,129	41,724,432	-	721,234	-	39,287,234
PSCOL Employees Provident Fund	16.1.1	428,123	-	8,006	-	436,129	41,724,432	-	721,234	-	39,287,234
Mansoor Jamal Malik	16.1.1	523,188	-	6,843	-	530,031	50,989,405	-	616,448	-	47,746,084
- Islamic Active Allocation Plan III											
Associate											
Bank Alfalah Limited - Employees Gratuity Fund	16.1.1	500,000	-	78,390	-	578,390	49,498,100	-	6,337,900	-	47,008,121

2019									
As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Dividend reinvestment	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019
(Number of units)				(Rupees)					

- Islamic Moderate Allocation Plan

Unit holder holding 10% or more units

Pakistan Rangers (Punjab) Private Fund	926,144	-	-	926,144	-	90,710,618	-	-	91,008,075	-
Mian Muhammad Afzal	1,287,188	-	52,712	-	1,339,900	126,072,856	-	5,175,637	-	131,559,952

- Islamic Balanced Allocation Plan

Key management personnel

Head of Operation	103	-	9	-	112	10,860	-	931	-	10,997
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Unit holder holding 10% or more units

Gurmani Foundation	515,575	-	49,397	-	564,972	54,360,991	-	4,908,734	-	55,472,565
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- Islamic Active Allocation Plan II

Associate

Bank Alfalah Limited - Employees Gratuity Fund	1,500,000	-	-	-	1,500,000	138,618,300	-	-	-	135,940,011
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Unit holder holding 10% or more units

SSG Executive Staff Provident Fund	3,014,096	-	-	3,014,096	-	278,539,242	-	-	268,654,500	-
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- Islamic Active Allocation Plan III

Associate

Bank Alfalah Limited - Employees Gratuity Fund	500,000	-	-	-	500,000	47,634,400	-	-	-	46,486,935
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Unit holder holding 10% or more units

Pakistan Rangers (Punjab) Private Fund	1,107,673	-	-	-	1,107,673	105,526,678	-	-	-	102,984,644
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Balochistan University of Engineering and

Techonology	1,119,523	-	-	-	1,119,523	106,655,613	-	-	-	104,086,419
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Abdul Rasool	989,648	-	-	-	989,648	94,282,577	-	-	-	92,011,404
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- Islamic Capital Preservation Plan IV

Unit holder holding 10% or more units

Gurmani Foundation	200,000	218	7,426	-	207,644	20,000,000	21,791	744,050	-	20,805,022
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- Islamic Capital Preservation Plan V

Unit holder holding 10% or more units

Adi Jehangir Cawasji	-	196,145	5,852	-	201,997	-	19,614,508	586,295	-	20,236,387
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Fatima Fertilizer Limited - Gratuity	-	128,258	4,373	-	132,631	-	12,825,765	438,141	-	13,287,189
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Fatima Fertilizer Limited - Provident Fund	-	100,000	3,410	-	103,410	-	10,000,000	341,610	-	10,359,781
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16.1.1 This reflects the position of related party / conneced persons status as at June 30, 2020.

16.2 Other transactions

For the year ended June 30, 2020							Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V		
Associated companies / undertakings							
Alfalah GHP Investment Management Limited - Management Company							
Remuneration of the Management Company	271,026	491,329	618,241	233,113	97,659	61,568	1,772,936
Sindh sales tax on remuneration of the Management Company	35,233	63,876	80,372	37,008	12,712	7,997	237,198
Allocated expenses	151,962	276,383	375,642	160,015	119,895	45,585	1,129,482
Sales load	-	-	-	-	-	-	-
Bank Alfalah Limited							
Profit on bank balances	138,987	227,401	143,940	168,433	1,616,969	46,422	2,342,152
Bank charges	31	-	1,285	2,550	9,122	-	12,988

For the year ended June 30, 2020							Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V		
Other related parties							
Central Depository Company of Pakistan Limited - Trustee							
Remuneration of the Trustee	107,750	195,792	262,862	123,749	84,252	31,919	806,324
Sindh sales tax on remuneration of the Trustee	14,014	25,453	34,165	17,363	10,955	4,149	106,099

(Rupees)

For the year / period ended June 30, 2019						For the period from July 13, 2018 to Jun 30, 2019	For the period from December 14, 2018 to Jun 30, 2019	Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V			
Associated companies / undertakings								
Alfalah GHP Investment Management Limited - Management Company								
Remuneration of the Management Company	109,723	82,113	188,237	177,769	2,569,311	50,336	3,177,489	
Sindh sales tax on remuneration of the Management Company	14,263	10,678	24,466	23,110	334,006	6,540	413,063	
Allocated expenses	521,737	791,166	1,226,528	866,176	511,349	40,727	3,957,683	
Sales load	-	335,135	-	-	-	-	335,135	
Bank Alfalah Limited								
Profit on bank balances	138,987	227,401	143,940	168,433	1,616,969	46,422	2,342,152	
Bank charges	31	-	1,285	2,550	9,122	-	12,988	
Other related parties								
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	429,612	643,581	982,231	703,254	415,645	37,095	3,211,418	
Sindh sales tax on remuneration of the Trustee	55,702	83,664	127,698	91,242	54,036	4,826	417,168	

(Rupees)

16.3 Other balances

As at June 30, 2020							Total
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V		
Associated companies / undertakings							
Alfalah GHP Investment Management Limited - Management Company							
Management remuneration payable	93,916	36,108	2,350	97,434	3,079	44,651	277,538
Sindh sales tax payable on management remuneration	24,608	15,772	300	35,145	1,362	5,796	82,983
Payable against allocated expenses	151,963	83,594	128,561	160,592	80,638	11,274	616,622
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Formation cost payable	-	-	-	-	-	40,000	40,000
Sales load payable	185,455	35,220	-	-	-	-	220,675

(Rupees)

As at June 30, 2020						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

(Rupees)

Bank Alfalah Limited

Bank balances	3,728,367	3,382,270	5,055,877	7,646,726	960,164	141,524	20,914,927
Profit receivable	5,446	141,356	208,398	13,600	5,986	16,647	391,434

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	60,792	17,944	20,834	27,038	5,153	13,911	145,672
Sindh sales tax payable on Trustee remuneration	17,842	4,619	2,712	3,517	674	1,808	31,172

As at June 30, 2019						
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total

(Rupees)

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	87,226	49,492	32,193	13,216	12,304	35,967	230,398
Sindh sales tax payable on management remuneration	23,788	17,458	2,720	1,718	1,686	4,672	52,042
Payable against allocated expenses	209,499	238,08	399,850	418,527	264,120	35,871	1,565,952
Federal excise duty payable on management remuneration	83,821	83,234	-	-	-	-	167,055
Formation cost payable	-	-	-	-	50,000	40,000	90,000
Sales load payable	185,455	35,220	-	-	-	-	220,675

Bank Alfalah Limited

Bank balances	1,299,111	6,083,249	3,669,469	7,630,367	2,653,849	1,488,685	22,824,730
Profit receivable	40,345	11,020	405,080	-	2,755	20,365	479,565

Other related parties

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration payable	51,732	35,717	35,695	30,479	21,565	18,534	193,722
Sindh sales tax payable on Trustee remuneration	16,658	6,922	4,640	3,784	2,805	2,409	37,218

17 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020			2019		
	At amortised Cost	At fair value through profit or loss	Total	At amortised Cost	At fair value through profit or loss	Total

(Rupees)

Financial assets

Bank balances	33,692,090	-	33,692,090	39,399,415	-	39,399,415
Investments	-	833,654,197	833,654,197	-	1,889,050,331	1,889,050,331
Profit receivable on bank balances	1,259,694	-	1,259,694	1,274,284	-	1,274,284
Receivable against sale of investments	-	-	-	5,788,837	-	5,788,837
	<u>34,951,784</u>	<u>833,654,197</u>	<u>868,605,981</u>	<u>46,462,536</u>	<u>1,889,050,331</u>	<u>1,935,512,867</u>

Particulars	2020			2019		
	At amortised Cost	At fair value through profit or loss	Total	At amortised Cost	At fair value through profit or loss	Total
(Rupees)						
Financial liabilities						
Payable to the Management Company	1,404,873	-	1,404,873	2,326,122	-	2,326,122
Payable to the Trustee	176,844	-	176,844	230,940	-	230,940
Payable against redemption of units	648,171	-	648,171	-	-	-
Accrued and other liabilities	5,258,061	-	5,258,061	4,806,694	-	4,806,694
	<u>7,487,949</u>	<u>-</u>	<u>7,487,949</u>	<u>7,363,756</u>	<u>-</u>	<u>7,363,756</u>

18 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises three types of risk: currency risk, profit rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

18.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's profit bearing financial instruments is as follows:

	Note	2020	2019
Variable rate instruments (financial assets)		-----Rupees-----	
Bank balances	4	<u>33,696,175</u>	<u>39,399,415</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 0.013 million (2019: Rs 0.013 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	As at June 30, 2020					Total
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	3.98% to 13.25%	33,692,090	-	-	-	33,692,090
Investments		-	-	-	833,654,197	833,654,197
Profit receivable on bank balances		-	-	-	1,259,694	1,259,694
Receivable against sale of investments		-	-	-	-	-
Sub total		<u>33,692,090</u>	<u>-</u>	<u>-</u>	<u>834,913,891</u>	<u>868,605,981</u>
Financial liabilities						
Payable to the Management Company		-	-	-	1,404,873	1,404,873
Payable to the Trustee		-	-	-	176,844	176,844
Payable against redemption of units		-	-	-	648,171	648,171
Accrued and other liabilities		-	-	-	5,258,061	5,258,061
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>7,487,949</u>	<u>7,487,949</u>
On-balance sheet gap		<u>33,692,090</u>	<u>-</u>	<u>-</u>	<u>827,425,942</u>	<u>861,118,032</u>
Total profit rate sensitivity gap		<u>33,692,090</u>	<u>-</u>	<u>-</u>	<u>827,425,942</u>	<u>861,118,032</u>
Cumulative profit rate sensitivity gap		<u>33,692,090</u>	<u>33,692,090</u>	<u>33,692,090</u>		

Particulars	As at June 30, 2019					Total
	Profit yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	----- (Rupees) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	4.75% to 12.50%	39,399,415	-	-	-	39,399,415
Investments		-	-	-	1,889,050,331	1,889,050,331
Profit receivable on bank balances		-	-	-	1,274,284	1,274,284
Receivable against sale of investments		-	-	-	5,788,837	5,788,837
Sub total		<u>39,399,415</u>	<u>-</u>	<u>-</u>	<u>1,896,113,452</u>	<u>1,935,512,867</u>
Financial liabilities						
Payable to the Management Company		-	-	-	2,326,122	2,326,122
Payable to the Trustee		-	-	-	230,940	230,940
Payable against redemption of units		-	-	-	-	-
Accrued and other liabilities		-	-	-	4,806,694	4,806,694
Sub total		<u>-</u>	<u>-</u>	<u>-</u>	<u>7,363,756</u>	<u>7,363,756</u>
On-balance sheet gap		<u>39,399,415</u>	<u>-</u>	<u>-</u>	<u>1,888,749,696</u>	<u>1,928,149,111</u>
Total profit rate sensitivity gap		<u>39,399,415</u>	<u>-</u>	<u>-</u>	<u>1,888,749,696</u>	<u>1,928,149,111</u>
Cumulative profit rate sensitivity gap		<u>39,399,415</u>	<u>39,399,415</u>	<u>39,399,415</u>		

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in open end mutual funds which are categorized as equity schemes. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2020. The analysis is based on the assumption that PSX index increased / decreased by 1%, with all other variables held constant.

As at June 30, 2020, the fair value of open end mutual funds categorized as equity securities exposed to price risk was disclosed in note 5.1.

	2020	2019
	-----Rupees-----	
Effect due to increase / decrease in KSE 100 index		
Investment and net assets	3,296,004	94,452,517
Income statement	<u>3,296,004</u>	<u>94,452,517</u>

18.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees) -----			
Bank balances	33,692,090	33,692,090	39,399,415	39,399,415
Investments	833,654,197	-	1,889,050,331	-
Profit receivable on bank balances	1,259,694	1,259,694	1,274,284	1,274,284
Receivable against sale of investments	-	-	5,788,837	5,788,837
	<u>868,605,981</u>	<u>34,951,784</u>	<u>1,935,512,867</u>	<u>46,462,536</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in open end mutual funds of Rs 833.63 million (2019: Rs 1,899.05 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2020 and June 30, 2019.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Name of bank	Rating agency	Rating (Short Term / Long Term)	2020		2019	
			Rupees	Percentage of total bank balance	Rupees	Percentage of total bank balance
Bank Alfalah Limited	PACRA	A1+ / AA+	20,914,927	62.03%	22,824,730	57.93%
BankIslami Pakistan Limited	PACRA	A1 / A+	6,556,316	19.45%	11,644,236	29.55%
Dubai Islamic Bank Limited	VIS	A-1+ / AA	4,772,645	14.16%	237,487	0.60%
Meezan Bank Limited	VIS	A-1+ / AA+	40,000	0.12%	40,000	0.10%
National Bank of Pakistan	PACRA	A-1+ / AAA	1,269,437	3.77%	4,493,661	11.41%
Silk Bank Limited	VIS	A-2 / A-	10,000	0.03%	10,000	0.03%
Soneri Bank Limited	PACRA	A1+ / AA-	149,301	0.44%	149,301	0.38%
			<u>33,712,626</u>	<u>100.00%</u>	<u>39,399,415</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

18.2.3 Open end mutual funds

The Fund had investments as at June 30, 2020 with open end mutual funds having following ratings:

Name of open end mutual funds	Rating agency	Rating	2020	2019
			Percentage of total investments	
Alfalah GHP Islamic Income Fund	PACRA	AA-(f)	60.46%	98.42%
Alfalah GHP Islamic Dedicated Equity Fund	Not Rated	Not Rated	39.54%	1.58%
			<u>100.00%</u>	<u>100.00%</u>

18.2.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear profit at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	33,692,090	-	-	-	33,692,090
Investments	833,654,197	-	-	-	833,654,197
Profit receivable on bank balances	1,259,694	-	-	-	1,259,694
Receivable against sale of investments	-	-	-	-	-
	868,605,981	-	-	-	868,605,981
Financial liabilities					
Payable to the Management Company	1,404,873	-	-	-	1,404,873
Payable to the Trustee	176,844	-	-	-	176,844
Payable against redemption of units	648,171	-	-	-	648,171
Accrued and other liabilities	5,258,061	-	-	-	5,258,061
	7,487,949	-	-	-	7,487,949
Net assets	<u>861,118,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>861,118,032</u>

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Total
----- Rupees -----					
Financial assets					
Bank balances	39,399,415	-	-	-	39,399,415
Investments	1,889,050,331	-	-	-	1,889,050,331
Profit receivable on bank balances	1,274,284	-	-	-	1,274,284
Receivable against sale of investments	5,788,837	-	-	-	5,788,837
	1,935,512,867	-	-	-	1,935,512,867
Financial liabilities					
Payable to the Management Company	2,326,122	-	-	-	2,326,122
Payable to the Trustee	230,940	-	-	-	230,940
Payable against redemption of units	-	-	-	-	-
Accrued and other liabilities	4,806,694	-	-	-	4,806,694
	7,363,756	-	-	-	7,363,756
Net assets	1,928,149,111	-	-	-	1,928,149,111

18.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2020, the Fund held the following financial instruments measured at fair values:

	----- 2020 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial Assets 'at fair value through profit or loss'				
Open end mutual funds - Quoted	-	833,654,197	-	833,654,197
	----- 2019 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial Assets 'at fair value through profit or loss'				
Open end mutual funds - Quoted	-	1,889,050,331	-	1,889,050,331

18.5 Unit Holders' Fund risk management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of Unit Holders' Fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically monitors capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors are updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

19 UNITS OUTSTANDING

For the year ended June 30, 2020							
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total	
(Rupees)							
As at July 1	2,991,075	3,703,831	4,533,974	6,478,323	1,734,128	557,750	19,999,081
Add: issuance of units	32,868	191,822	102,568	110,009	56,806	18,271	512,344
Less: redemption of units	(2,312,628)	(1,572,521)	(749,083)	(5,739,828)	(932,907)	(286,802)	(11,593,769)
As at June 30	711,315	2,323,132	3,887,459	848,504	858,027	289,219	8,917,656

For the year ended June 30, 2019						For the period from July 13, 2018 to June 30, 2019	For the period from December 14, 2018 to June 30, 2019	
Islamic Moderate Allocation Plan	Islamic Balanced Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V	Total		
As at July 1	8,677,033	12,986,621	18,729,733	10,294,456	-	-	50,687,843	
Add: issuance of units	2,648,078	2,181,215			9,043,385	1,058,515	14,931,193	
Less: redemption of units	(8,334,036)	(11,464,005)	(14,195,759)	(3,816,133)	(7,309,257)	(500,765)	(45,619,955)	
As at June 30	2,991,075	3,703,831	4,533,974	6,478,323	1,734,128	557,750	19,999,081	

20 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure I to the financial statements.

21 CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

22 GENERAL

22.1 Rounding off

Figures are rounded off to the nearest rupee.

22.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The SECP has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

22.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

23 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Islmaic Moderate Allocation Plan

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	30	307,549	30,310,000	43%
Retirement & Other Funds	2	1,365	130,000	0%
Others	3	402,399	39,654,758	57%
	35	711,313	70,094,758	100%

Balance Allocation Plan

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	509	1,635,836	162,620,000	70%
Retirement & Other Funds	3	41,056	4,080,000	2%
Others	3	646,241	64,249,420	28%
	515	2,323,133	230,949,420	100%

Islmaic Active Allocation PlanII

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	18	1,065,045	95,950,000	27%
Retirement & Other Funds	6	2,635,982	237,450,000	68%
Others	3	186,433	16,790,391	5%
	27	3,887,459	350,190,391	100%

Islmaic Active Allocation Plan III

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	15	211,998	17,230,000	25%
Retirement & Other Funds	3	608,085	49,420,000	72%
Others	1	28,421	2,309,860	3%
	19	848,503	68,959,860	100%

Islmaic Capital Preservation Plan IV

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	70	624,826	62,660,000	73%
Retirement & Other Funds	1	2	213	0%
Others	4	233,198	23,381,209	27%
	75	858,026	86,041,422	100%

Islmaic Capital Preservation Plan V

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	32	255,813	25,650,000	88%
Retirement & Other Funds	2	33,407	3,350,000	12%
	34	289,219	29,000,000	100%

Islmaic Moderate Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	26	1,756,262	172,441,034	59%
Retirement & Other Funds	2	387,474	38,044,679	13%
Others	4	847,339	83,197,160	28%
	32	2,991,075	293,682,874	100%

Balance Allocation Plan

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	358	2,805,855	278,554,071	76%
Retirement & Other Funds	2	52,012	5,163,521	1%
Others	6	845,963	83,983,901	23%
	366	3,703,829	367,701,493	100%

Islmaic Active Allocation PlanII

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	42	1,762,809	159,757,579	39%
Retirement & Other Funds	6	2,587,648	234,510,009	57%
Others	3	183,517	16,631,391	4%
	51	4,533,974	410,898,980	100%

Islmaic Active Allocation Plan III

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	72	3,666,322	340,872,233	57%
Retirement & Other Funds	3	525,670	48,873,605	8%
Others	4	2,286,331	212,568,911	35%
	79	6,478,323	602,314,749	100%

Islmaic Capital Preservation Plan IV

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	88	1,045,112	104,715,649	60%
Retirement & Other Funds	2	51,657	5,175,803	3%
Others	5	637,359	63,860,598	37%
	95	1,734,128	173,752,051	100%

Islmaic Capital Preservation Plan V

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	32	290,737	29,126,524	52%
Retirement & Other Funds	4	267,013	26,749,775	48%
	36	557,750	55,876,299	100%

(iii) **PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

SUPPLEMENTARY NON FINANCIAL INFORMATION
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PERFORMANCE TABLE - AGIPPF

30 June 2020

	Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
Net Assets	70,099	230,952	350,189	68,961	86,038	28,997
NAV per unit	98.5484	99.4139	90.0817	81.2741	100.2739	100.2582
Selling price per unit	101.3324	100.8181	N/A	N/A	N/A	N/A
Redemption price per unit	98.5484	99.4139	88.7305	79.2422	100.2739	100.2582
Highest selling price per unit	105.6006	104.0323	92.6319	94.4054	103.2990	103.4726
Highest redemption price per unit	102.6993	102.5833	94.0425	96.8260	103.9197	103.4726
Lowest selling price per unit	100.9602	99.9209	86.5046	86.7560	100.0000	100.0000
Lowest redemption price per unit	98.0297	98.5292	87.8219	88.9805	100.0000	100.0000
Total interim distribution per unit	Nil	Nil	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil	Nil	Nil
Final distribution per unit	5.4490	8.8238	0.3125	12.6758	7.3595	7.8755
Final distribution date	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-19	30-Jun-19
Annualized returns	5.94	5.03	-0.65	-1.99	7.43	7.95
Income distribution	5.55%	8.89%	0.34%	13.63%	7.35%	7.86%
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A	N/A	N/A

30 June 2019

Islamic Moderate Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Capital Preservation Plan IV	Islamic Capital Preservation Plan V
293,683	367,701	410,898	602,314	173,752	55,876
98.1864	99.2760	90.6267	92.9739	100.1956	100.1816
100.9602	100.6783	N/A	N/A	N/A	N/A
98.1864	99.2760	89.2673	90.6496	100.1956	100.1816
105.6006	104.0323	92.6319	94.4054	103.2990	103.4726
102.6993	102.5833	94.0425	96.8260	103.9197	103.4726
100.9602	99.9209	86.5046	86.7560	100.0000	100.0000
98.0297	98.5292	87.8219	88.9805	100.0000	100.0000
Nil	Nil	Nil	Nil	Nil	Nil
Nil	Nil	Nil	Nil	Nil	Nil
4.5953	3.3133	Nil	Nil	3.7162	3.4161
30-Jun-19	30-Jun-19	N/A	N/A	30-Jun-19	30-Jun-19
4.94	3.18	-1.93	-2.41	3.91	3.60
4.6917	3.3323	Nil	Nil	3.7162	3.4161
N/A	N/A	N/A	N/A	N/A	N/A

30 June
2018

30 June
2017

Islamic Active Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III	Islamic Active Allocation Plan	Balance Allocation Plan	Islamic Active Allocation Plan II	Islamic Active Allocation Plan III
849,867	1,369,278	1,730,856	980,740	1,728,215	3,523,330	2,098,757	1,098,563
97.9444	105.4376	92.4122	95.2688	106.5153	104.8977	100.8383	99.6929
N/A	106.9269	N/A	N/A	109.5244	106.3794	103.6870	102.5092
97.9444	105.4376	91.0260	92.8871	103.8524	14.8977	98.3173	97.2006
110.4329	107.7997	104.5352	103.6085	127.1176	110.8360	119.6837	102.8987
104.7139	106.2982	99.1216	98.2429	120.4553	109.2920	114.3877	97.5699
94.4505	104.0610	92.3887	95.9923	97.1686	101.5260	102.9460	102.5092
92.8732	102.6116	88.0158	91.0211	96.5503	100.1120	97.6147	97.2006
Nil	Nil	Nil	Nil	7.2592	2.9251	6.4865	0.0716
Nil	Nil	Nil	Nil	22-Jun-17	22-Jun-17	22-Jun-17	22-Jun-17
Nil	Nil	Nil	Nil	29-Jun-17	29-Jun-17	29-Jun-17	29-Jun-17
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nil	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-8.05%	0.52%	-8.36%	-4.44%	14.72%	7.80%	7.29%	-0.31%
Nil	Nil	Nil	Nil	7.26%	2.93%	6.49%	0.07%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

IAAP - Return since inception is 3.79%

BAP - Return since inception is 5.03%

IAAP II - Return since inception is -0.65%

IAAP III - Return since inception is -1.99%

ICP IV - Return since inception is -5.74%

ICP V - Return since inception is -7.50%

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.



**Alfalah
GHP Islamic
Dedicated Equity Fund**

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited

Alfalah GHP Islamic Dedicated Equity Fund

Annual Fund Manager's Report

Type of Fund

Open-end Scheme

Category of Fund

Shariah compliant Islamic Equity Scheme (Previously Shariah Compliant Asset Allocation Scheme)

Investment Objective

The investment objective of Alfalah GHP Islamic Dedicated Equity Fund (AGIDEF) is seeking long term capital appreciation and income from a diversified portfolio developed in consistence with the principles of Shariah.

Accomplishment of Objective

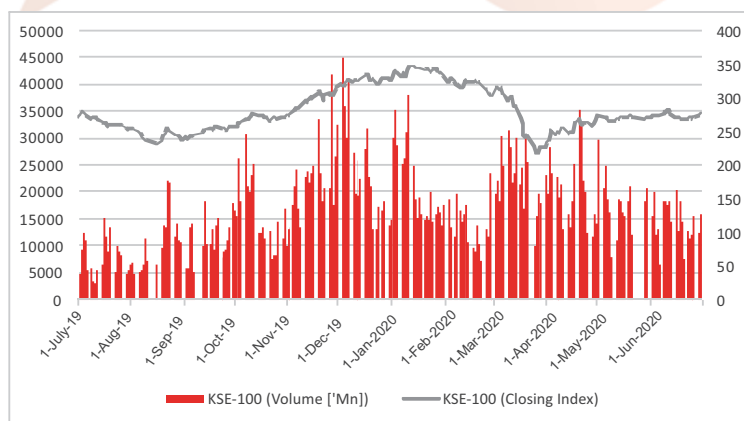
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

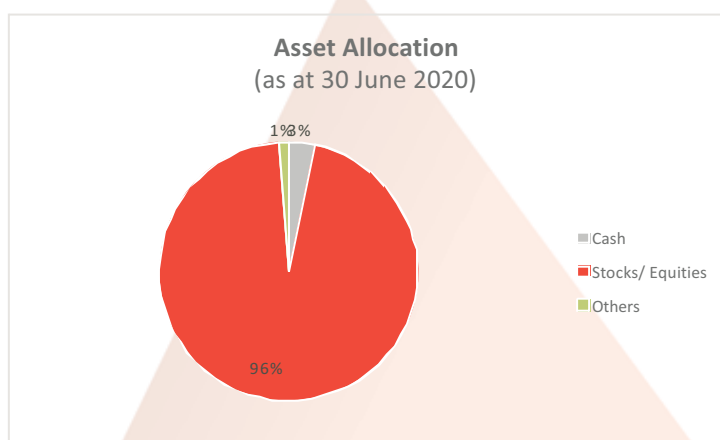
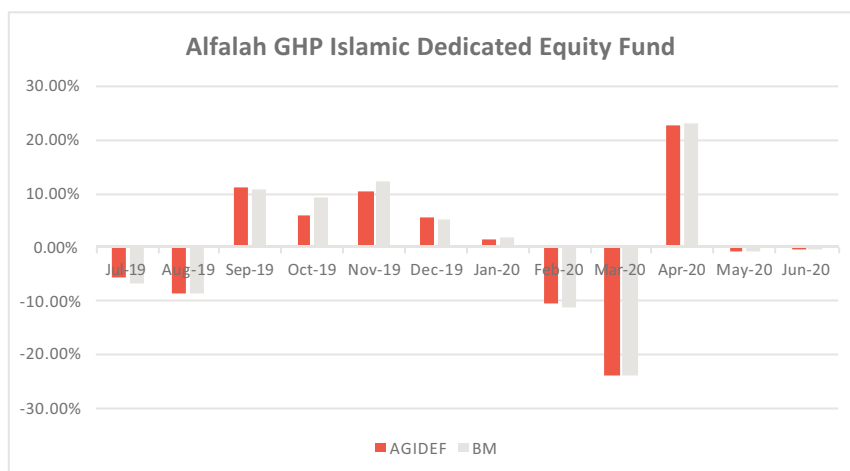
Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.



Fund Performance

The fund maintained average equity exposure more than 90% through the period. The fund remained invested in index heavy sectors (Banking and E&P) as they presented attractive valuation.

Performance comparison with Benchmark



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



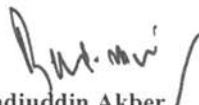
TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

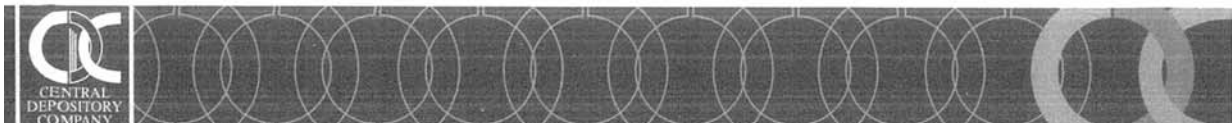
**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Dedicated Equity Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020





**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND**

We, the Shariah Advisory Board of the Alfalah GHP Islamic Dedicated Equity Fund ('AGIDEF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisory Board, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisory Board of the Fund, we have checked Investment in Equities Securities based on the Shariah Guidelines during the period from July 1, 2019 to June 30, 2020.

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.

For the Year 2019-20 Provision against Charity is made amount to Rs. 260,093.74 in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board



Mufti Shaikh Noman
Shariah Advisor



Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Dedicated Equity Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2020. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 29, 2020

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Dedicated Equity Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Dedicated Equity Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 to the financial statements)	
	Investments constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2020 amounted to Rs 320.60 million. The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: <ul style="list-style-type: none">▪ Tested the design and operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; and Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Assets			
Bank balances	4	9,153,200	4,351,188
Investments	5	320,601,093	25,775,308
Security deposits	6	2,600,000	2,600,000
Dividend and profit receivable	7	133,407	37,587
Preliminary expenses and floatation cost		431,326	659,453
Total assets		332,919,026	33,423,536
Liabilities			
Payable to the Management Company	8	1,299,055	1,595,892
Payable to the Trustee	9	62,647	65,001
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	38,892	901,429
Accrued and other liabilities	11	1,918,032	3,099,381
Total liabilities		3,318,626	5,661,703
Net assets attributable to the unit holders		<u>329,600,400</u>	<u>27,761,833</u>
Unit Holders' fund (as per statement attached)		<u>329,600,400</u>	<u>27,761,833</u>
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		<u>5,153,111</u>	<u>463,602</u>
		----- (Rupees) -----	
Net asset value per unit		<u>63.9614</u>	<u>59.8829</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
INCOME			
Profit on bank balances		37,523	5,700,075
Gain / (loss) on sale of investment - net		2,049,984	(202,960,216)
Dividend income		6,309,695	50,952,735
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.2	(29,382,669)	(2,921,187)
Total loss		(20,985,467)	(149,228,593)
EXPENSES			
Remuneration of the Management Company	8.1	3,646,772	11,860,913
Sindh sales tax on remuneration of the Management Company	8.2	474,080	1,541,919
Remuneration of the Trustee	9.1	389,202	1,788,079
Sindh sales tax on remuneration of the Trustee	9.2	50,596	232,450
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	10	38,892	901,429
Bank and settlement charges		766,843	884,732
Auditors' remuneration	13	325,500	325,500
Brokerage and securities transaction costs		1,494,601	3,950,829
Amortisation of preliminary expenses and floatation cost		228,128	227,505
Printing and related costs		30,000	70,000
Allocated expenses	8.3	193,593	948,828
Selling and marketing expenses	8.4	778,049	3,795,335
Charity expense	11.1	252,831	983,859
Shariah advisory fee		50,000	360,000
Total expenses		8,719,087	27,871,378
Net loss for the year before taxation		(29,704,554)	(177,099,971)
Taxation	14	-	-
Net loss for the year after taxation		(29,704,554)	(177,099,971)
Allocation of net income for the year			
Net income for the period after taxation		-	-
income already paid on units redeemed		-	-
Accounting income available for distribution		-	-
Relating to capital gains		-	-
Excluding capital gains		-	-

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net loss for the year after taxation	(29,704,554)	(177,099,971)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u><u>(29,704,554)</u></u>	<u><u>(177,099,971)</u></u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.



**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	2020			2019		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- Rupees -----			----- Rupees -----		
Net assets at the beginning of the year	316,561,738	(288,799,905)	27,761,833	1,754,300,898	(111,699,934)	1,642,600,964
Issuance of 8,482,013 units (2019: 16,186,425 units)						
- Capital value (at net asset value per unit at the beginning of the year)	507,927,536	-	507,927,536	1,372,789,911	-	1,372,789,911
- Element of income / (loss)	68,272,464	-	68,272,464	(77,789,911)	-	(77,789,911)
Total proceeds on issuance of units	576,200,000	-	576,200,000	1,295,000,000	-	1,295,000,000
Redemption of 3,792,504 units (2019: 35,090,562 units)						
- Capital value (at net asset value per unit at the beginning of the year)	227,106,127	-	227,106,127	2,976,072,263	-	2,976,072,263
- Element of loss / (income)	17,550,752	-	17,550,752	(243,333,103)	-	(243,333,103)
Total payments on redemption of units	244,656,879	-	244,656,879	2,732,739,160	-	2,732,739,160
Total comprehensive loss for the year	-	(29,704,554)	(29,704,554)	-	(177,099,971)	(177,099,971)
Distribution during the year	-	-	-	-	-	-
Net assets at the end of the year	648,104,859	(318,504,459)	329,600,400	316,561,738	(288,799,905)	27,761,833
	(Rupees)			(Rupees)		
Accumulated loss brought forward						
- Realised loss		(285,878,718)			(69,506,593)	
- Unrealised loss		(2,921,187)			(42,193,341)	
		<u>(288,799,905)</u>			<u>(111,699,934)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the year after taxation		(29,704,554)			(177,099,971)	
Distribution during the year		-			-	
Accumulated loss carried forward		<u>(318,504,459)</u>			<u>(288,799,905)</u>	
Accumulated loss carried forward						
- Realised loss		(289,121,790)			(285,878,718)	
- Unrealised loss		(29,382,669)			(2,921,187)	
		<u>(318,504,459)</u>			<u>(288,799,905)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year			<u>59.8829</u>			<u>84.8112</u>
Net asset value per unit at the end of the year			<u>63.9614</u>			<u>59.8829</u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees) -----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(29,704,554)	(177,099,971)
Adjustments for:			
Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net		29,382,669	2,921,187
Amortisation of preliminary expenses and floatation cost		228,128	227,505
		<u>(93,757)</u>	<u>(173,951,279)</u>
(Increase) / decrease in assets			
Investments - net		<u>(324,208,455)</u>	<u>1,511,498,270</u>
Dividend and profit receivable		(95,820)	2,974,818
Receivable against sale of investments		-	7,133,992
		<u>(324,304,275)</u>	<u>1,521,607,080</u>
(Decrease) / increase in liabilities			
Payable to the Management Company		<u>(296,837)</u>	<u>(4,274,875)</u>
Payable to the Trustee		(2,354)	(187,532)
Payable to the Securities and Exchange Commission of Pakistan		(862,537)	(217,676)
Accrued and other liabilities		<u>(1,181,349)</u>	<u>1,267,685</u>
		<u>(2,343,077)</u>	<u>(3,412,398)</u>
Net cash flows (used in) / generated from operating activities		<u>(326,741,109)</u>	<u>1,344,243,403</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received against issuance of units		<u>576,200,000</u>	<u>1,295,000,000</u>
Amount paid against redemption of units		<u>(244,656,879)</u>	<u>(2,732,739,160)</u>
Net cash generated from / (used in) financing activities		<u>331,543,121</u>	<u>(1,437,739,160)</u>
Net increase / (decrease) in cash and cash equivalents during the year		<u>4,802,012</u>	<u>(93,495,757)</u>
Cash and cash equivalents at beginning of the year		4,351,188	97,846,945
Cash and cash equivalents at end of the year	4	<u><u>9,153,200</u></u>	<u><u>4,351,188</u></u>

The annexed notes from 1 to 22 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalah GHP Islamic Dedicated Equity Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, executed between Alfalah GHP Investment Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (the Trustee). The Trust Deed was executed on April 06, 2017, and was approved by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), on March 28, 2017.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.

The Fund is categorised as a 'Shariah Compliant Islamic Equity Scheme' pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

According to the trust deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation, consistent with reasonable investment risk in shariah compliant equity securities. The Fund invests in shariah compliant securities and profit bearing accounts. The investment objectives and policy are explained in the Fund's offering document.

The objective of the Fund is to provide equity exposure to "Fund-of-Funds". The Fund will not be actively marketed to retail or institutional investors, therefore, the Fund size may decline to zero when there are no "Fund-of-Funds" invested in the Fund. At any time when the Fund size declines to zero, the expenses of the Fund will be borne by the Management Company.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2019. However, these are considered either to be not relevant or to not have any significant impact on the Fund's financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2020 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.3.1 and 5)
- ii. Impairment of financial assets (note 3.3.2)
- iii. Taxation (notes 3.6 and 14)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments measured at 'fair value through profit or loss' category which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1

3.1 The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at fair value through other comprehensive income (FVOCI). The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as fair value through profit or loss (FVTPL). Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.3.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted around that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The 12 months ECL is recorded for all financial assets in which there is no significant increase in credit risk from the date of initial recognition, whereas a lifetime ECL is recorded for all remaining financial assets.

3.3.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.3.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.8 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors, and the Management Company.

Units redeemed are recorded at the redemption price applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, duties, taxes, and charges on redemption, if applicable.

3.12 Net asset value per unit

The net asset value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.13 Revenue recognition

- Gains or losses arising on sale of investments classified as financial asset at 'fair value through profit or loss' are recorded at the date on which the transaction takes place.
- Unrealised gains / losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the period in which they arise.
- Profit on saving accounts with banks is recognised on time proportion basis using the effective yield method.
- Dividend income is recognised when the right to receive the dividend is established. i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

3.14 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.15 Earnings / loss per unit

Earnings / loss per unit is calculated by dividing the net income / loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / loss per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4. BANK BALANCES	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
Bank balances			
- in saving accounts	4.1	1,772,750	1,671,870
- in current account	4.2	7,380,450	2,679,318
		<u>9,153,200</u>	<u>4,351,188</u>

4.1 These accounts carry profit rates ranging between 3.00% to 7.25% (2019: 4.75% to 11.60%) per annum. These include bank balance of Rs. 1.379 million (2019: Rs. 3.515 million) maintained with Bank Alfalah Limited - Islamic Banking Division, a related party, carrying profit at the rate of 6.5% (2019: 10.25%) per annum.

4.2 This current account is maintained with Bank Alfalah Limited - Islamic Banking Division (a related party).

5. INVESTMENTS	Note	2020 ----- (Rupees) -----	2019 ----- (Rupees) -----
'At fair value through profit or loss'			
Listed equity securities	5.1	320,601,093	25,775,308
		<u>320,601,093</u>	<u>25,775,308</u>

5.1 Listed equity securities

Fully paid up ordinary shares with a face value of Rs. 10/- each unless stated otherwise.

Name of the investee company	As at July 01, 2019	Purchases during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market Value as a percentage of		
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
Commercial banks						----- Number of shares -----		----- Rupees -----		----- % -----	
BankIslami Pakistan Limited	-	133,000	-	130,000	3,000	37,274	22,680	(14,594)	0.01%	0.01%	
Meezan Bank Limited	7,649	337,500	-	157,000	188,149	16,542,272	12,954,059	(3,588,213)	3.93%	4.04%	
						<u>16,579,546</u>	<u>12,976,739</u>	<u>(3,602,807)</u>	3.94%	4.05%	
Textile composite											
Interloop Limited	5,250	136,500	-	127,000	14,750	782,891	647,820	(135,071)	0.20%	0.20%	
Kohinoor Textile Mills Limited	-	55,000	-	-	55,000	2,187,330	1,953,050	(234,280)	0.59%	0.61%	
Nishat Mills Limited	5,226	170,000	-	84,000	91,226	8,530,579	7,116,540	(1,414,039)	2.16%	2.22%	
						<u>11,500,800</u>	<u>9,717,410</u>	<u>(1,783,390)</u>	2.95%	3.03%	
Cement											
Attock Cement Pakistan Limited		21,000	-	-	21,000	2,585,830	2,617,230	31,400	0.79%	0.82%	
Cherat Cement Company Limited	-	56,000	-	31,500	24,500	1,771,448	2,135,665	364,217	0.65%	0.67%	
D. G. Khan Cement Company Limited	760	169,000	-	81,500	88,260	6,534,583	7,531,226	996,643	2.28%	2.35%	
Fauji Cement Company Limited	-	221,000	-	130,000	91,000	1,653,961	1,536,080	(117,881)	0.47%	0.48%	
Kohat Cement Company Limited	900	36,500	-	13,500	23,900	2,574,941	3,285,055	710,114	1.00%	1.02%	
Lucky Cement Limited	732	85,500	-	28,500	57,732	26,393,120	26,647,937	254,817	8.08%	8.31%	
Maple Leaf Cement Factory Limited	1,250	324,487	-	164,000	161,737	3,995,490	4,201,927	206,437	1.27%	1.31%	
Pioneer Cement Limited	-	44,000	-	8,000	36,000	1,540,984	2,269,440	728,456	0.69%	0.71%	
						<u>47,050,357</u>	<u>50,224,560</u>	<u>3,174,203</u>	15.24%	15.67%	
Power generation and distribution											
Hub Power Company Limited	95,756	653,000	-	336,000	412,756	35,851,005	29,924,810	(5,926,195)	9.08%	9.33%	
K-Electric Limited											
(face value of Rs 3.5 per share)	-	873,000	-	382,000	491,000	1,984,372	1,477,910	(506,462)	0.45%	0.46%	
Kot Addu Power Company Limited	9,000	-	-	9,000	-	-	-	-	0.00%	0.00%	
						<u>37,835,377</u>	<u>31,402,720</u>	<u>(6,432,657)</u>	9.53%	9.79%	

Name of the investee company	As at July 01, 2019	Purchases during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market Value as a percentage of	
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments
----- Number of shares -----						----- Rupees -----			----- % -----	
Oil and gas marketing companies										
Hascol Petroleum Limited	3,575	54,363	-	57,500	438	9,797	5,957	(3,840)	0.00%	0.00%
Pakistan State Oil Company Limited	3,941	135,300	2,648	59,200	82,689	15,047,157	13,078,092	(1,969,065)	3.97%	4.08%
Sui Northern Gas Pipelines Limited	12,793	259,000	-	161,500	110,293	7,691,720	6,021,998	(1,669,722)	1.83%	1.88%
						22,748,674	19,106,047	(3,642,627)	5.80%	5.96%
Oil and gas exploration companies										
Mari Petroleum Company Limited	780	29,500	514	15,460	15,334	17,814,887	18,962,791	1,147,904	5.75%	5.91%
Oil & Gas Development Company Limited	17,030	499,100	-	230,600	285,530	36,214,885	31,122,770	(5,092,115)	9.44%	9.71%
Pakistan Oilfields Limited	2,146	58,500	-	32,100	28,546	12,143,858	10,009,084	(2,134,774)	3.04%	3.12%
Pakistan Petroleum Limited	11,747	470,000	12,829	203,800	290,776	34,743,392	25,233,541	(9,509,851)	7.66%	7.87%
						100,917,022	85,328,186	(15,588,836)	25.89%	26.61%
Engineering										
International Industries Limited	894	39,000	439	23,500	16,833	1,644,610	1,544,091	(100,519)	0.47%	0.48%
International Steels Limited	471	140,500	-	76,000	64,971	3,286,241	3,355,752	69,511	1.02%	1.05%
Mughal Iron & Steel Industries Limited	-	62,000	-	-	62,000	2,712,735	2,472,560	(240,175)	0.75%	0.77%
						7,643,586	7,372,403	(271,183)	2.24%	2.30%
Automobile assemblers										
Honda Atlas Cars (Pakistan) Limited	-	13,600	-	2,500	11,100	2,274,147	2,149,848	(124,299)	0.65%	0.67%
Millat Tractors Limited	80	2,100	10	50	2,140	1,476,976	1,511,182	34,206	0.46%	0.47%
Pak Suzuki Motor Company Limited	86	-	-	-	86	19,691	13,917	(5,774)	0.00%	0.00%
						3,770,814	3,674,947	(95,867)	1.11%	1.14%
Automobile parts and accessories										
Thal Limited (face value Rs. 5 per share)	1	17,700	-	10,500	7,201	2,191,440	2,339,893	148,453	0.71%	0.73%
						2,191,440	2,339,893	148,453	0.71%	0.73%
Cable and electrical goods										
Pak Elektron Limited	315	16,500	-	16,500	315	8,789	7,223	(1,566)	0.00%	0.00%
						8,789	7,223	(1,566)	0.00%	0.00%
Inv. Banks / Inv. Cos. / Securities Cos.										
Dawood Hercules Corporation Limited	516	66,900	-	12,000	55,416	8,586,320	7,088,815	(1,497,505)	2.15%	2.21%
						8,586,320	7,088,815	(1,497,505)	2.15%	2.21%
Fertilizer										
Engro Fertilizer Limited	16,007	538,500	-	327,500	227,007	15,435,046	13,683,982	(1,751,064)	4.15%	4.27%
Engro Corporation Limited	7,779	242,600	-	113,400	136,979	42,652,928	40,123,889	(2,529,039)	12.17%	12.52%
Fauji Fertilizer Company Limited	2,500	128,500	-	77,000	54,000	5,213,039	5,939,460	726,421	1.80%	1.85%
						63,301,013	59,747,331	(3,553,682)	18.13%	18.64%
Pharmaceuticals										
AGP Limited	-	18,000	-	18,000	-	-	-	-	0.00%	0.00%
Glaxomithkline Pakistan Limited (a related party)	-	3,000	-	-	3,000	468,000	522,240	54,240	0.16%	0.16%
Highnoon Laboratories Limited	-	3,300	330	-	3,630	1,692,523	1,819,646	127,123	0.55%	0.57%
The Searle Company Limited	5,466	57,100	-	28,000	34,566	6,198,637	6,886,584	687,947	2.09%	2.15%
						8,359,160	9,228,470	869,310	2.80%	2.88%

Name of the investee company	As at July 01, 2019	Purchases during the year	Bonus / Right shares received during the year	Sold during the year	As at June 30, 2020	As at June 30, 2020			Market Value as a percentage of	
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments
----- Number of shares -----						----- Rupees -----			----- % -----	
Chemical										
Engro Polymer & Chemicals Limited	24,000	515,500	-	352,500	187,000	5,477,368	4,671,260	(806,108)	1.42%	1.46%
ICI Pakistan Limited	33	1,700	-	-	1,733	1,143,567	1,203,932	60,365	0.37%	0.38%
Lotte Chemical Pakistan Limited	-	210,000	-	15,000	195,000	2,054,330	1,940,250	(114,080)	0.59%	0.61%
						<u>8,675,265</u>	<u>7,815,442</u>	<u>(859,823)</u>	<u>2.37%</u>	<u>2.45%</u>
Paper and board										
Packages Limited	332	1,000	-	1,300	32	12,223	11,111	(1,112)	0.00%	0.00%
						<u>12,223</u>	<u>11,111</u>	<u>(1,112)</u>	<u>0.00%</u>	<u>0.00%</u>
Foods and personal care products										
At-Tahur Limited	-	500	-	-	500	9,450	8,615	(835)	0.00%	0.00%
						<u>9,450</u>	<u>8,615</u>	<u>(835)</u>	<u>0.00%</u>	<u>0.00%</u>
Miscellaneous										
Synthetic Products Enterprises Limited	5,114	-	204	-	5,318	113,480	221,122	107,642	0.07%	0.07%
						<u>113,480</u>	<u>221,122</u>	<u>107,642</u>	<u>0.07%</u>	<u>0.07%</u>
Technology and communication										
Systems Limited	36,440	106,000	-	79,200	63,240	7,923,365	11,615,849	3,692,484	3.52%	3.62%
Netsol Technologies Limited	-	3,000	-	3,000	-	-	-	-	0.00%	0.00%
						<u>7,923,365</u>	<u>11,615,849</u>	<u>3,692,484</u>	<u>3.52%</u>	<u>3.62%</u>
Transport										
Pakistan International Bulk Terminal Limited	-	25,000	-	25,000	-	-	-	-	0.00%	0.00%
Pakistan National Shipping Corporation	-	16,000	-	-	16,000	1,239,200	1,208,960	(30,240)	0.37%	0.38%
						<u>1,239,200</u>	<u>1,208,960</u>	<u>(30,240)</u>	<u>0.37%</u>	<u>0.38%</u>
Vanaspati & Allied Industries										
Unity Foods Limited	-	165,000	-	30,000	135,000	1,517,881	1,505,250	(12,631)	0.46%	0.47%
						<u>1,517,881</u>	<u>1,505,250</u>	<u>(12,631)</u>	<u>0.46%</u>	<u>0.47%</u>
As at June 30, 2020						<u>349,983,762</u>	<u>320,601,093</u>	<u>(29,382,669)</u>	<u>97.27%</u>	<u>100.00%</u>
As at June 30, 2019						<u>28,696,495</u>	<u>25,775,308</u>	<u>(2,921,187)</u>		

5.1.1 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule to the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. During the year, the CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares, issued to the Funds in lieu of their investments, be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the period were not withheld by the investee companies, except for bonus / right on shares already withheld by the investee companies.

As at June 30, 2020, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the Company	2020		2019	
	Bonus Shares		Bonus Shares	
	Number of shares withheld	Market value (Rupees)	Number of shares withheld	Market value (Rupees)
Pakistan State Oil Company Limited	591	93,473	492	83,458
The Searle Company Limited	869	173,131	869	127,361
		<u>266,603</u>		<u>210,819</u>

5.1.2 The above investments include shares having a market value (in aggregate) amounting to Rs 10.406 million (2019: Rs 14.53 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Name of Security	2020	2019	2020	2019
	Number of Shares		Market Value (Rupees)	
Millat Tractors Limited	75	75	52,962	64,678
Lucky Cement Limited	730	730	336,953	277,743
Engro Polymer & Chemicals Limited	8,990	8,990	224,570	242,370
Fauji Fertilizer Company Limited	2,490	2,490	273,875	217,128
Meezan Bank Limited	7,645	7,645	526,358	666,338
The Searle Company Limited	1,090	4,590	217,161	672,710
D. G. Khan Cement Company Limited	750	750	63,998	42,405
Engro Fertilizer Limited	14,500	14,500	874,060	927,565
Pakistan State Oil Company Limited	447	447	70,698	75,825
International Steels Limited	465	465	24,017	18,465
Systems Limited	5,430	34,430	997,376	3,304,247
Oil & Gas Development Company Limited	12,000	12,000	1,308,000	1,577,880
Hub Power Company Limited	15,370	15,370	1,114,325	1,210,388
Pakistan Petroleum Limited	6,740	6,740	584,897	973,458
Pakistan Oilfields Limited	1,140	1,140	399,718	462,715
Nishat Mills Limited	3,220	3,220	251,192	300,555
Sui Northern Gas Pipelines Limited	8,790	8,790	479,934	610,817
Engro Corporation Limited	4,775	4,775	1,398,693	1,268,240
Pak Suzuki Motor Company Limited	80	80	12,946	18,317
International Industries Limited	890	890	81,640	68,592
Kohat Cement Company Limited	890	890	122,331	46,752
Maple Leaf Cement Factory Limited	1,245	1,245	32,345	29,743
Mari Petroleum Company Limited	775	775	958,404	782,231
Hascol Petroleum Limited	-	3,570	-	244,973
Kot Addu Power Company Limited	-	8,990	-	327,056
Packages Limited	-	330	-	99,185
			<u>10,406,453</u>	<u>14,530,376</u>

5.2 Unrealised loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	2020	2019
		----- (Rupees) -----	
Market value of investments	5.1	320,601,093	25,775,308
Less: Carrying value of investments	5.1	<u>(349,983,762)</u>	<u>(28,696,495)</u>
		<u>(29,382,669)</u>	<u>(2,921,187)</u>

	Note	2020	2019
		----- (Rupees) -----	
6. SECURITY DEPOSITS			
Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
		<u>2,600,000</u>	<u>2,600,000</u>

7. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable		118,827	3,435
Profit receivable on bank balances	7.1	14,580	34,152
		<u>133,407</u>	<u>37,587</u>

7.1 This includes accrued markup of Rs 1,989 (2019: Rs 9,292) receivable from Bank Alfalah Limited - Islamic Banking Division (a related party).

	Note	2020	2019
		----- (Rupees) -----	
8. PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	8.1	552,775	131,130
Sindh sales tax payable on management remuneration	8.2	71,861	17,048
Preliminary expenses and floatation cost payable		57,500	57,500
Payable against allocated expenses	8.3	7,767	167,643
Payable against selling and marketing expenses	8.4	609,152	1,222,571
		<u>1,299,055</u>	<u>1,595,892</u>

8.1 The Management Company has charged remuneration at the rate of 2% (2019: 1.25%) per annum of daily average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, an amount of Rs. 0.474 million (2019: Rs. 1.542 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.419 million (2019: Rs. 1.640 million) has been paid to the Management Company which acts as a collecting agent.

8.3 In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% per annum of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%.

Accordingly, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1% per annum of the average annual net assets of the scheme for allocation of such expenses to the Fund.

8.4 The SECP had allowed an asset management company to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the average annual net assets of the Fund or actual expenses whichever is lower.

During the period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% has been removed and now an asset management company is required to set a maximum limit for charging of such expenses to the Fund and the same should be approved by the Board of Directors of the management company as part of an annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

	Note	2020	2019
		----- (Rupees) -----	
9. PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	9.1	55,440	57,522
Sindh sales tax payable on trustee remuneration	9.2	7,207	7,479
		<u>62,647</u>	<u>65,001</u>

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Average net asset value	Tariff per annum (for the year ended June 30, 2019)	Revised tariff per annum (for the year ended June 30, 2020)
Up to Rs.1 billion	Rs 0.7 million or 0.20% per annum of net assets whichever is higher	0.20% per annum of net assets
Over Rs.1 billion	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1 billion	Rs 2.0 million plus 0.10% per annum of net assets exceeding Rs 1 billion

9.2 During the year, an amount of Rs 0.051 million (2019: Rs. 0.232 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.051 million (2019: Rs. 0.254 million) was paid to the Trustee which acts as a collecting agent.

10. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (2019: 0.095%) of the average annual net assets of the Fund.

	Note	2020	2019
		----- (Rupees) -----	
11. ACCRUED AND OTHER LIABILITIES			
Auditors' remuneration		261,274	204,803
Brokerage payable		653,672	860,758
Settlement charges		91,108	299,242
Printing charges		102,770	93,807
Withholding tax payable		3,625	166,903
Charity payable	11.1	310,834	929,120
Shariah advisory fee		494,749	544,748
		<u>1,918,032</u>	<u>3,099,381</u>

11.1 According to the instructions of the Shariah Advisory Board, any income earned by the Fund from investments, a portion of which has been held in non-shariah compliant avenues, such portion of the income of the Fund should be donated for charitable purposes directly by the Fund. Accordingly, the dividend income is recorded net of charity portion.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

13. AUDITORS' REMUNERATION

	2020	2019
		----- (Rupees) -----
Audit fee	150,000	150,000
Review and other certification	120,000	120,000
Sindh sales tax	24,111	24,111
Out of pocket expenses	31,389	31,389
	<u>325,500</u>	<u>325,500</u>

14. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

The Fund has not recorded any tax liability as the Fund has incurred net loss during the year.

15. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 4.48% which includes 0.29% representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Alfalah GHP Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee of the Fund, GHP Beteiligungen Holding Limited, Bank Alfalah Limited, MAB Investment Incorporated, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund and Alfalah GHP Investment Management Limited - Staff Provident Fund being the associates of the Management Company, Funds under management of the Management Company and directors and key management personnel of the Management Company. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions and balances with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

16.1 Unit Holders' Fund

2020							
As at July 01, 2019	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2020	As at July 01, 2019	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2020
(Units)				(Rupees)			

Other Related Party

Alfalsh GHP Islamic Prosperity Planning Fund

463,602 8,482,013 3,792,504 5,153,111 27,761,833 576,200,000 244,656,879 329,600,400

2019							
As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2019
(Units)				(Rupees)			

Other Related Party

Alfalsh GHP Islamic Prosperity Planning Fund

19,367,739 16,186,425 35,090,562 463,602 27,761,833 1,190,230,256 2,639,621,810 27,761,833

16.2 Details of transaction with related parties / connected persons during the year are as follows:

2020 2019

-----Rupees-----

Associated companies / undertakings

Alfalsh GHP Investment Management Limited (Management Company)

Remuneration of the Management Company	3,646,772	11,860,913
Sindh sales tax on remuneration of the Management Company	474,080	1,541,919
Allocated expenses	193,593	948,828
Selling and marketing expense	778,049	3,795,335

Bank Alfalah Limited - Islamic Banking Division

Profit on bank balances	12,022	35,333
Bank charges	21,000	3,438

Other related party

Central Depository Company of Pakistan Limited (Trustee)

Remuneration of the Trustee	389,202	1,788,079
Sindh sales tax on remuneration of the Trustee	50,596	232,450
CDS charges	19,472	221,846

16.3 Details of balances with related parties / connected persons as at year end are as follows:

Associated companies / undertakings

Alfalsh GHP Investment Management Limited (Management Company)

Management remuneration payable	552,775	131,130
Sindh sales tax payable on management remuneration	71,861	17,048
Preliminary expenses and floatation cost payable	57,500	57,500
Payable against allocated expenses	7,767	167,643
Payable against selling and marketing expenses	609,152	1,222,571

Bank Alfalah Limited - Islamic Banking Division

Bank balances	8,759,237	3,515,475
Profit receivable	1,989	9,292

Other related party

Central Depository Company of Pakistan Limited (Trustee)

Trustee remuneration payable	55,440	57,522
Sindh sales tax payable on trustee remuneration	7,207	7,479
Security deposit	100,000	100,000

17. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial asset measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorized as financial liabilities measured at amortised cost.

2020			
At amortised cost	At fair value through profit or loss	Total	
----- (Rupees) -----			
Financial assets			
Bank balances	9,153,200	-	9,153,200
Investments	-	320,601,093	320,601,093
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	133,407	-	133,407
	<u>11,886,607</u>	<u>320,601,093</u>	<u>332,487,700</u>
Financial liabilities			
Payable to the Management Company	1,299,055	-	1,299,055
Payable to the Trustee	62,647	-	62,647
Accrued and other liabilities	1,914,407	-	1,914,407
	<u>3,276,109</u>	<u>-</u>	<u>3,276,109</u>
2019			
At amortised cost	At fair value through profit or loss	Total	
----- (Rupees) -----			
Financial assets			
Bank balances	4,351,188	-	4,351,188
Investments	-	25,775,308	25,775,308
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	37,587	-	37,587
	<u>6,988,775</u>	<u>25,775,308</u>	<u>32,764,083</u>
Financial liabilities			
Payable to the Management Company	1,595,892	-	1,595,892
Payable to the Trustee	65,001	-	65,001
Accrued and other liabilities	2,932,478	-	2,932,478
	<u>4,593,371</u>	<u>-</u>	<u>4,593,371</u>

18. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

18.1.2 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. The profit rate profile of the Fund's interest bearing financial instruments is as follows:

Variable rate instruments (financial assets)	2020	2019
	----- Rupees -----	
Bank balances	1,772,750	1,671,870

a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in profit rates at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs 146 (2019: Rs 342) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instruments

As at reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Particulars	Effective yield / profit rate	2020			Not exposed to yield / profit rate risk	Total
		Exposed to yield / profit rate risk				
		Up to three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	3.88% to 13.25%	1,772,750	-	-	7,380,450	9,153,200
Investments		-	-	-	320,601,093	320,601,093
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and profit receivable		-	-	-	133,407	133,407
Sub total		1,772,750	-	-	330,714,950	332,487,700
Financial liabilities						
Payable to the Management Company		-	-	-	1,299,055	1,299,055
Payable to the Trustee		-	-	-	62,647	62,647
Accrued and other liabilities		-	-	-	1,914,407	1,914,407
Sub total		-	-	-	3,276,109	3,276,109
On-balance sheet gap		1,772,750	-	-	327,438,841	329,211,591
Total profit rate sensitivity gap		1,772,750	-	-	327,438,841	329,211,591
Cumulative profit rate sensitivity gap		1,772,750	1,772,750	1,772,750		

Particulars	Effective yield / profit rate	2019			Not exposed to yield / profit rate risk	Total
		Exposed to yield / profit rate risk				
		Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	4.75% to 11.60%	1,671,870	-	-	2,679,318	4,351,188
Investments		-	-	-	25,775,308	25,775,308
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and profit receivable		-	-	-	37,587	37,587
Sub total		1,671,870	-	-	31,092,213	32,764,083

Particulars	2019					Total
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and up to one year	More than one year		

----- (Rupees) -----

Financial liabilities						
Payable to the Management Company	-	-	-	-	1,595,892	1,595,892
Payable to the Trustee	-	-	-	-	65,001	65,001
Accrued and other liabilities	-	-	-	-	2,932,478	2,932,478
Sub total	-	-	-	-	4,593,371	4,593,371
On-balance sheet gap	1,671,870	-	-	-	26,498,842	28,170,712
Total profit rate sensitivity gap	1,671,870	-	-	-	26,498,842	28,170,712
Cumulative profit rate sensitivity gap	1,671,870	1,671,870	1,671,870			

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund's investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

The table below summarizes the sensitivity of the Fund's net assets attributable to unit holders to the equity price movements as at June 30, 2020. The analysis is based on the assumption that the KSE index increased / decreased by 1%, with all other variables held constant.

At June 30, 2020, the fair value of equity securities exposed to price risk is disclosed in note 5.1.

Effect due to increase / decrease in KSE 100 index	2020	2019
	-----Rupees-----	
Investment and net assets	3,206,011	257,753
Income statement	3,206,011	257,753

18.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, security deposits and dividend and profit receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

18.2.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
Bank balances	9,153,200	1,772,750	4,351,188	1,671,870
Investments	320,601,093	-	25,775,308	-
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividend and profit receivable	133,407	133,407	37,587	37,587
	<u>332,487,700</u>	<u>4,506,157</u>	<u>32,764,083</u>	<u>4,309,457</u>

Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 320.60 million (2019: 25.78 million) are not exposed to credit risk.

No financial assets were considered to be either past due or impaired at June 30, 2020 and June 30, 2019.

18.2.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Name of Bank	Rating Agency	Rating (Short Term / Long Term)	2020	2019
			Percentage of Total Bank Balances	
Bank Alfalah Limited	PACRA	A1+ / AA+	95.70%	86.54%
Meezan Bank Limited	VIS	A-1+ / AA+	0.11%	0.25%
BankIslami Pakistan Limited	PACRA	A1 / A+	0.80%	6.23%
Dubai Islamic Bank Pakistan Limited	PACRA	A-1+ / AA	0.75%	0.25%
National Bank of Pakistan	VIS	A-1+ / AAA	2.64%	6.73%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA and VIS as of June 30, 2020.

18.2.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect the groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds' portfolio of financial instruments is mainly held with various banks and securities issued by the entities having reasonably high credit rating. Further investments in listed equity securities are not exposed to credit risk.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in short term instruments in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	9,153,200	-	-	-	9,153,200
Investments	320,601,093	-	-	-	320,601,093
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and profit receivable	133,407	-	-	-	133,407
	332,487,700	-	-	-	332,487,700
Financial liabilities					
Payable to the Management Company	1,299,055	-	-	-	1,299,055
Payable to the Trustee	62,647	-	-	-	62,647
Accrued and other liabilities	1,914,407	-	-	-	1,914,407
	3,276,109	-	-	-	3,276,109
Net assets	329,211,591	-	-	-	329,211,591

2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	4,351,188	-	-	-	4,351,188
Investments	25,775,308	-	-	-	25,775,308
Security deposits	2,600,000	-	-	-	2,600,000
Dividend and profit receivable	37,587	-	-	-	37,587
	32,764,083	-	-	-	32,764,083
Financial liabilities					
Payable to the Management Company	1,595,892	-	-	-	1,595,892
Payable to the Trustee	65,001	-	-	-	65,001
Accrued and other liabilities	2,932,478	-	-	-	2,932,478
	4,593,371	-	-	-	4,593,371
Net assets	28,170,712	-	-	-	28,170,712

18.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2020, the Fund held the following financial instruments measured at fair values:

	2020			
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss'				
Investment in listed equity securities	320,601,093	-	-	320,601,093
----- Rupees -----				
	2019			
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets 'at fair value through profit or loss'				
Investment in listed equity securities	25,775,308	-	-	25,775,308

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

18.5 Unit Holders' Fund Risk Management

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is the risk that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of the unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- Monitors the level of daily issuance and redemptions relative to liquid assets;
- Redeems and issues units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions as allowed under the rules and regulations; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Funds' yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gains as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all times during the life of the scheme. However, the Fund is exempt from any "Minimum Fund Size" requirement as specified under the NBFC Regulations.

19. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in the Annexure to these financial statements.

20. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

21. GENERAL

21.1 Rounding off

Figures are rounded off to the nearest rupee.

21.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The SECP has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes; and
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

21.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

22. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **24 August, 2020**.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director



**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Banks/Dfis	0	-	-	0%
Insurance Co.	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	2	5,153,111	329,600,400	100%
	2	5,153,111	329,600,400	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	0	-	-	0%
Associated Co./ Directors	0	-	-	0%
Retirement & Other Funds	0	-	-	0%
Others	2	463,602	27,761,833	100%
	2	463,602	27,761,833	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Ismail Iqbal Securities (Pvt.) Limited	8
EFG Hermes Pakistan Limited	7
Inter Market Securities Limited	7
Next Capital Limited	7
Topline Securities (Pvt) Limited	7
Alfalah Securities (Private) Limited	7
Al Habib Capital Markets Limited	7
Foundation Securities Limited	7
Taurus Securities Limited	6
Shajar Capital Pakistan Private Limited	5
	30 June 2019
	%
Inter Market Securities Limited	11
Alfalah Securities (Private) Limited	9
Next Capital Limited	7
EFG Hermes Pakistan Limited	7
Optimus Capital Management (Pvt) Limited	6
Foundation Securities Limited	5
IGI Finex Securities Limited	5
Topline Securities (Pvt) Limited	5
Al Habib Capital Markets Limited	5
Shajar Capital Pakistan Private Limited	5

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIDEF

	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Net Assets	329,600,400	27,761,833	1,642,600,964	688,402,204
NAV per unit	63.9614	59.8829	84.8112	96.8767
Selling price per unit	65.0455	60.8979	86.2487	98.5188
Redemption price per unit	63.9614	59.8829	84.8112	96.8767
Highest selling price per unit	82.5478	89.6781	100.8917	101.7107
Highest redemption price per unit	81.1719	88.1834	99.2101	100.0154
Lowest selling price per unit	49.4058	60.8979	80.2861	98.5188
Lowest redemption price per unit	48.5823	59.8829	78.9479	96.8767
Total interim distribution per unit	Nil	Nil	Nil	Nil
Interim distribution date	Nil	Nil	Nil	Nil
	N/A	N/A	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	Nil
Final distribution date	N/A	N/A	N/A	N/A
Annualized returns	-0.80%	-23.98%	-12.45%	-3.12%
Income distribution	Nil	Nil	Nil	Nil
Weighted avg. portfolio duration	N/A	N/A	N/A	N/A

Return since inception is **-14.39%**

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Sui Northern Gas Pipelines Limited							
EOGM	2-Jun-20	Confirm Minutes of previous AGM	98,293	0.02%	P		
		Election of Directors					





Alfalah
GHP Islamic Value Fund

FUND INFORMATION

Management Company:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	Ms. Dominique Liana Russo Mr. Edward Phillip Hurt Ms. Maheen Rahman (CEO) Syed Ali Sultan Mr. Hanspeter Beier Mr. Abid Naqvi Mr. Tufail Jawed Ahmad Ms. Mehreen Ahmed
Audit Committee:	Mr. Abid Naqvi Syed Ali Sultan Mr. Edward Phillip Hurt
HR Committee:	Ms. Dominique Liana Russo Syed Ali Sultan Mr. Tufail Jawed Ahmed Ms. Maheen Rahman (CEO)
Risk Committee:	Mr. Edward Phillip Hurt Mr. Tufail Jawed Ahmad Syed Ali Sultan Ms. Maheen Rahman (CEO)
Chief Operating Officer and Company Secretary:	Mr. Noman Ahmed Soomro
Chief Financial Officer:	Syed Hyder Raza Zaidi
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, P.O.Box 4716 Karachi, Pakistan
Legal Advisor:	MSB Legal & Tax Consultants A: F-66/2, Park Lane, Block-5, Clifton, Karachi.
Shariah Advisor:	Bank Islami Pakistan Limited 11th Floor, Dolmen Executive Towers, Marine Drive, Clifton, Block-4, Karachi
Registrar:	Alfalah GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	Not Yet Rated

Alfalah GHP Islamic Value Fund

Annual Fund Manager`s Report

Type of Fund

Open-end Scheme

Category of Fund

Conventional Asset Allocation Scheme

Investment Objective

The investment objective of Alfalah GHP Islamic Value Fund (AGIVF) is to earn a potentially high return through allocation of assets between Shari'ah Equity Instruments, Shari'ah Fixed Income Instruments and any other Shari'ah instrument as permitted by the SECP and Shari'ah Advisor.

Accomplishment of Objective

The Fund has strived to achieve its objective as it provided the unit holders a competitive and attractive return as compared to peer funds.

Market Review:

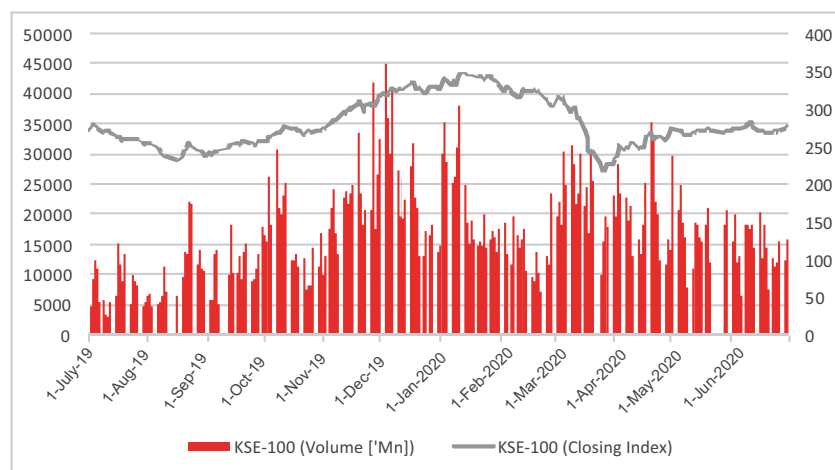
The KSE-100 index experienced a roller coaster ride throughout FY20 and closed the year displaying a slightly positive return of 1.53%.

The benchmark index started performing well from the month of September 2019 and posted positive returns for 5 consecutive months till Jan 2020. The return from close of FY19 till 13th Jan 2020 stood at 27% on the back of improving macro-economic fundamentals under the IMF program as a) CAD continued to improve because of a sharp decline in imports, rising remittances and flattish exports; b) appreciating PKR and c) improving FX reserves position due to a significant influx of funds in Treasury bills and Bonds as the policy rate peaked at 13.25% encouraging the carry trade transactions.

This performance was marred by the outbreak of Covid-19 in China and then subsequently into the entire world. Countries began to implement strict lockdowns and the entire trade came suddenly to a halt resulting in heavy losses in global and local equities as investors' fled to safe heavens. KSE-100 index lost 37% in a span of 72 days as it hit a bottom of 27,228 points on March 25, 2020.

However, multiple positives staged the comeback of local bourse as KSE-100 bounced back and posted 26% return by end of the year from the bottom of 27,228 to close the year at 34,422. The comeback was fueled by; a) control in the spread of pandemic in China and relaxation of lockdowns globally resulting in increase in cross border trade b) implementation of smart lockdown locally, under which businesses are allowed to operate with certain SOPs, thus normalization in business activities c) Central Bank's initiatives to cut policy rate cumulatively by 625bps to spur economic growth and simultaneously provide relief to industries by deferring loan repayment for a year d) announcement of several packages and subsidies by the Government to decrease the cost of doing business and spur growth in economic activities and e) miraculous decline in local Covid-19 cases, as the daily number started to decline from 6.5k in mid of June to 4k by the end of the year and subsequently, falling into 3 digits by end of July 2020. Massive recoveries have also caused active cases to decline to only 25.2k by July end compared to 108.3k cases in June.

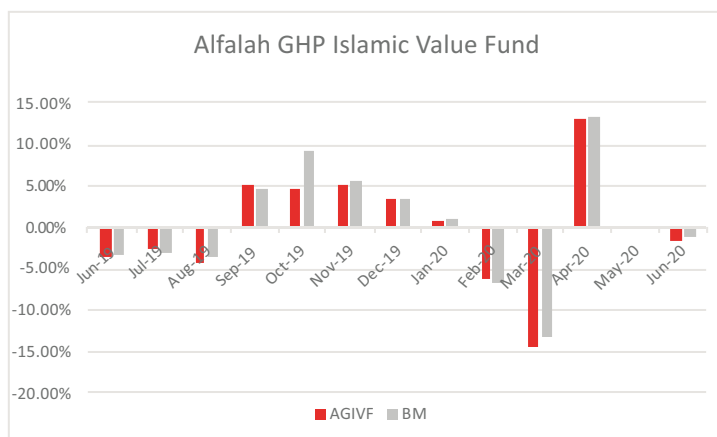
Going forward, macro-economic fundamentals and resumption of normal business activities will determine the market direction. In our view, improving business activity of manufacturers along with attractive valuations of Banks and E&Ps will keep the market sentiment positive.



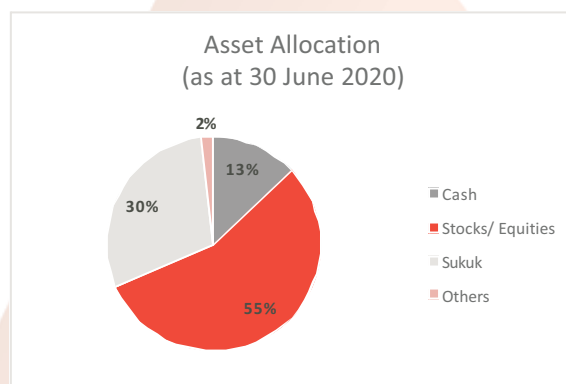
Fund Performance

The fund generated a return of -0.36% against the benchmark which generated 1.86%.

Average exposure of the fund during the year stood at 50.9%. Major portion of the fund remained invested in index heavy sectors, mainly Oil & Gas exploration and Fertilizers. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies, however, index heavy companies and second tier stocks augmented the overall performance.



Assets Allocation



Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

Disclosures of circumstances that materially affect any interests of unit holders

Investments are subject to market risk.

Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ALFALAH GHP ISLAMIC VALUE FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of Alfalah GHP Islamic Value Fund (the Fund) are of the opinion that Alfalah GHP Investment Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 24, 2020





**SHARIAH REVIEW REPORT
ALFALAH GHP ISLAMIC VALUE FUND**

We, the Shariah Advisory Board of the Alfalah GHP Islamic Value Fund ('AGIVF') managed by Alfalah GHP Investment Management Limited, are issuing this report in accordance with the Trust Deed and Offering Document of the said Fund. The scope of the report is to express an opinion on the Shariah Compliance of the Fund's activities.

It is the responsibility of the Management Company of the said Fund to establish and maintain a system of internal controls to ensure compliance with issued Shariah guidelines. As Shariah Advisory Board, our responsibility is to express an opinion, based on our review of the representations made by the management, to the extent where such compliance can be objectively verified.

In the capacity of Shariah Advisory Board of the Fund, we have checked following avenues presented to us by the Management in which AGIVF made Investment during the period from July 1, 2019 to June 30, 2020.

Investment Head	Investment Avenue
<i>Equity</i>	<i>Approved Shariah Compliant Equity Securities</i>
<i>Sukuk</i>	<i>Approved Shariah Compliant Sukuk</i>

We hereby certify that the Investments made by the Funds are in Compliance with Shariah principles.


For the Year 2019-20 Provision against Charity is made amount to Rs. 87,375.86 in respect of dividend purification.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.

For and on behalf of Shariah Advisory Board



Mufti Shaikh Noman
Shariah Advisor



Mufti Javed Ahmad
Shariah Board Member

STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

Alfalah GHP Islamic Value Fund has fully complied with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2020. This has been duly confirmed by the Shariah Advisor of the Fund.

Dated: September 29, 2020

Ms. Maheen Rahman
Chief Executive Officer



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Alfalah GHP Islamic Value Fund Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alfalah GHP Islamic Dedicated Equity Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 to the financial statements)	
	<p>Bank balances constitute the most significant component of the net asset value. Bank balances of the Fund as at June 30, 2020 aggregated to Rs 725.326 million.</p> <p>The existence of bank balances for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none">Obtained independent confirmations for verifying the existence of the bank balances as at June 30, 2020 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; andObtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: September 28, 2020

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2020

	Note	2020	2019
		-----Rupees-----	
Assets			
Bank balances	4	725,326,396	30,802,407
Investments	5	17,328,184	109,305,215
Security deposits	6	2,600,000	2,600,000
Dividend, profit and other receivable	7	3,875,933	2,471,841
Preliminary expenses and floatation costs	8	156,890	226,006
Total assets		749,287,403	145,405,469
Liabilities			
Payable to the Management Company	9	466,221	713,971
Payable to the Trustee	10	58,848	64,958
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	24,269	203,180
Accrued expenses and other liabilities	12	2,176,340	1,264,040
Total liabilities		2,725,678	2,246,149
Net assets attributable to the unit holders		746,561,725	143,159,320
Unit holders' fund (as per statement attached)		746,561,725	143,159,320
Contingencies and commitments	13		
		-----Number of units-----	
Number of units in issue		8,405,875	1,601,042
		----- (Rupees) -----	
Net asset value per unit		88.8143	89.4164

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		----- (Rupees) -----	
Income			
Profit / mark-up income	14	6,697,863	7,867,153
Loss on sale of investments - net		(3,868,352)	(12,533,134)
Dividend income		2,831,587	6,817,668
Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	295,337	(15,305,302)
Total income / (loss)		<u>5,956,435</u>	<u>(13,153,615)</u>
Expenses			
Remuneration of the Management Company	9.1	2,352,918	4,277,481
Sindh sales tax on remuneration of the Management Company	9.2	305,893	556,558
Allocated expenses	9.3	119,661	213,866
Selling and marketing expenses	9.4	136,227	855,469
Remuneration of the Trustee	10.1	242,853	700,018
Sindh sales tax on remuneration of the Trustee	10.2	31,558	90,452
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	11.1	24,294	203,180
Settlement and bank charges		520,726	337,939
Auditors' remuneration	15	572,418	572,325
Brokerage expenses		298,239	195,636
Amortisation of preliminary expenses and floatation costs	8	69,116	68,827
Printing and related costs		30,012	70,027
Annual listing fee		22,002	27,448
Shariah advisory fee		360,081	359,954
Charity expense		85,573	202,375
Bank charges		12,394	41,391
Provision for Sindh Workers' Welfare Fund	12.1	15,444	-
Total expenses		<u>5,199,409</u>	<u>8,772,946</u>
Net income / (loss) for the year before taxation		<u>757,026</u>	<u>(21,926,561)</u>
Taxation	17	-	-
Net income / (loss) for the year after taxation		<u>757,026</u>	<u>(21,926,561)</u>
Allocation of net income for the year after taxation			
Net income for the period after taxation		757,026	-
Income already paid on units redeemed		(387,000)	-
		<u>370,026</u>	<u>-</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		370,026	-
		<u>370,026</u>	<u>-</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
Net income / (loss) for the year after taxation	757,026	(21,926,561)
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the year	<u>757,026</u>	<u>(21,926,561)</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.



For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	757,026	(21,926,561)
Adjustments for:		
Unrealised (gain) / loss on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net	(295,337)	15,305,302
Amortisation of preliminary expenses and floatation costs	69,116	68,827
Provision for Sindh Workers' Welfare Fund	15,444	-
	<u>546,249</u>	<u>(6,552,432)</u>
(Increase) / decrease in assets		
Investments - net	92,272,368	105,068,290
Security deposits	-	-
Dividend, profit and other receivable	(1,404,092)	(185,755)
Receivable against sale of investments	-	770,548
Preliminary expenses and floatation costs payable	-	-
	<u>90,868,276</u>	<u>105,653,083</u>
Increase / (decrease) in liabilities		
Payable to the Management Company	(247,750)	(915,771)
Payable to the Trustee	(6,110)	(30)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(178,911)	(5,383)
Accrued expenses and other liabilities	896,856	465,921
	<u>464,085</u>	<u>(455,263)</u>
Net cash generated from operating activities	<u>91,878,610</u>	<u>98,645,388</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amount received against issuance of units (net of refund of capital)	1,311,444,869	65,980,331
Amount paid against redemption of units	(708,429,314)	(191,070,775)
Dividend paid	(370,176)	(246,719)
Net cash generated / (used in) from financing activities	<u>602,645,379</u>	<u>(125,337,163)</u>
Net increase / (decrease) in cash and cash equivalents during the year / period	<u>694,523,989</u>	<u>(26,691,775)</u>
Cash and cash equivalents at beginning of the year / period	30,802,407	57,494,182
Cash and cash equivalents at end of the year	<u>4</u> <u>725,326,396</u>	<u>30,802,407</u>

The annexed notes from 1 to 25 and annexure form an integral part of these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ALFALAH GHP ISLAMIC VALUE FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alfalah GHP Islamic Value Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on May 6, 2014 between Alfalah GHP Investment Management Limited as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and Central Depository Company of Pakistan Limited as the Trustee, also incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on March 9, 2017. The registered office of the Management Company is situated at 8-B, 8th floor, Executive Tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on May 4, 2020 which is valid for a period of three years w.e.f March 9, 2020. The registered office of the Management Company is situated at 8-B, 8th floor, Executive tower, Dolmen city, Block 4, Clifton, Karachi.
- 1.3 The Fund has been categorised as "Shariah Compliant Islamic Asset Allocation Scheme" pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.4 According to the Trust Deed, the objective of the Fund is to provide good total return through a combination of current income and long-term capital appreciation which the Fund aims to deliver mainly by investing in shariah compliant equity securities, shariah compliant government securities, cash and near cash instruments (GoP Ijarah Sukuk not exceeding 90 days maturity) which include cash in bank accounts of islamic banks and licensed islamic banking windows of conventional banks (excluding TDRs), secured / unsecured (listed and / or privately placed) Sukuks, shariah compliant spread transactions, certificates of modarba, certificates of musharika with financial institutions, placement of funds with financial institutions on the basis of murabaha, bai` Mu`ajjal, bai`salam or istisn`a, shariah compliant bank deposits, shariah compliant investment in real estate investment trust, investment outside Pakistan (shariah compliant), any other shariah compliant securities or instruments as permitted by the rules, the regulations and approved for investment by the SECP and the shariah advisor from time to time.
- 1.5 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of AM2+ (positive outlook) to the Management Company on August 9, 2019.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain other new standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 1, 2020. However, these are considered either to be not relevant or to not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i. Classification and valuation of financial assets (notes 3.2.1 and 5)
- ii. Impairment of financial assets (note 3.2.2)
- iii. Taxation (notes 3.5 and 17)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments classified as 'financial assets at fair value through profit or loss' which are stated at fair value.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The short term investments are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.2 Financial assets

3.2.1 Classification and subsequent measurement

3.2.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVOCI) or;
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the Statement of Assets and Liabilities at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The management considers its investment in equity securities as a group of assets and assesses them on a fair value basis and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.2.1 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.4 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.2.6 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds (Section 4B of the Income Tax Ordinance, 2001).

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes a portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net asset value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains or losses arising on revaluation of investments classified as financial assets 'at fair value through profit or loss' are recorded in the income statement in the period in which these arise.
- Profit on bank deposits and Income on sukuk certificates is recognised on time proportion basis using the effective yield method.
- Dividend income is recognised when the Fund's right to receive the same is established.

3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.13 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4 BANK BALANCES	Note	2020	2019
----- (Rupees) -----			
- In saving accounts	4.1	668,857,265	27,735,775
- In current accounts	4.2	56,469,131	3,066,632
		<u>725,326,396</u>	<u>30,802,407</u>

4.1 These accounts carry profit at rates ranging from 3% to 7.5% per annum (June 30, 2019: 4.75% to 12.50% per annum). These include bank balances of Rs. 2.47 million (June 30, 2019: Nil) maintained with Bank Alfalah Limited, a related party.

4.2 This balance in current account is maintained with Bank Alfalah Limited (a related party).

5 INVESTMENTS	Note	2020	2019
----- (Rupees) -----			
At fair value through profit or loss			
Listed equity securities	5.1	-	70,877,377
Sukuk certificates - listed	5.2	9,190,377	18,837,838
Sukuk certificates - unlisted	5.3	8,137,807	19,590,000
		<u>17,328,184</u>	<u>109,305,215</u>

5.1 Listed equity securities - at fair value through profit or loss

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 01, 2019	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)	Total market value of investments	Net assets of the Fund	
						----- Rupees -----					
Commercial banks											
Meezan Bank Limited	41,845	3,500	-	45,345	-	-	-	-	-	-	-
Bank Islami Pakistan Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
Cement											
Attock Cement	-	1,000	-	1,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
D. G. Khan Cement Company Limited	7,000	86,500	-	93,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	43,000	-	43,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	6,000	2,000	-	8,000	-	-	-	-	-	-	-
Lucky Cement Limited	7,700	5,000	-	12,700	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	9,500	75,924	-	85,424	-	-	-	-	-	-	-
Power generation & distribution											
Hub Power Company Limited	92,372	25,500	-	117,872	-	-	-	-	-	-	-
Kot Addu Power Company Limited	44,500	-	-	44,500	-	-	-	-	-	-	-
K-Electric Limited	-	137,000	-	137,000	-	-	-	-	-	-	-

Name of the Investee Company	As at July 01, 2019	Purchased during the period	Bonus / Right shares issued	Sold during the period	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)	Total market value of investments	Net assets of the Fund	
						----- Number of shares -----			----- Rupees -----		
Oil & gas marketing companies											
Pakistan State Oil Company Limited	13,300	12,860	-	26,160	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	36,600	30,500	-	67,100	-	-	-	-	-	-	-
Hascol Petroleum	-	9,000	-	9,000	-	-	-	-	-	-	-
Oil & gas exploration companies											
Pakistan Petroleum Limited	51,965	10,000	7,593	69,558	-	-	-	-	-	-	-
Oil and Gas Development Company Limited	64,500	11,500	-	76,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	11,140	-	-	11,140	-	-	-	-	-	-	-
Mari Petroleum Company Limited	4,096	300	299	4,695	-	-	-	-	-	-	-
Engineering											
International Industries Limited	1,400	81,000	-	82,400	-	-	-	-	-	-	-
International Steels Limited	1,500	107,500	-	109,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	-	3,000	-	3,000	-	-	-	-	-	-	-
Fertilizer											
Engro Corporation Limited	31,070	12,000	-	43,070	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	36,500	-	-	36,500	-	-	-	-	-	-	-
Engro Fertilizers Limited	81,000	75,000	-	156,000	-	-	-	-	-	-	-
Chemical											
Engro Polymer and Chemicals Limited	107,000	84,000	-	191,000	-	-	-	-	-	-	-
Inv. Banks / Inv. Cos. / Securities Cos.											
Dawood Hercules Corporation Limited	-	11,000	-	11,000	-	-	-	-	-	-	-
Textile composite											
Nishat Mills Limited	25,500	14,000	-	39,500	-	-	-	-	-	-	-
Interloop Limited	17,931	5,000	-	22,931	-	-	-	-	-	-	-
Kohinoor Textile Limited	-	8,500	-	8,500	-	-	-	-	-	-	-
Automobile assembler											
Millat Tractors Limited	800	-	-	37	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	1,000	-	-	100	-	-	-	-	-	-	-
Pharmaceuticals											
The Searle Company Limited	805	28,500	-	29,305	-	-	-	-	-	-	-
AGP Limited	-	4,000	-	4,000	-	-	-	-	-	-	-
Technology & communication											
Systems Limited	14,350	3,500	-	17,850	-	-	-	-	-	-	-
Total as at June 30, 2020						-	-	-			
Total as at June 30, 2019						85,672,117	70,877,377	(14,795,340)			

5.2 Sukuk certificates (listed)- at fair value through profit or loss

Description	As at July 01, 2019	Purchased during the year	Disposed / matured during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	Total market value of investments	Net assets of the Fund
---- Number of certificates ----					----- Rupees -----				
Dawood Hercules Corporation Limited (Note 5.2.1)	210	-	80	130	9,048,582	9,190,377	141,795	56.34%	1.41%
Total as at June 30, 2020					<u>9,048,582</u>	<u>9,190,377</u>	<u>141,795</u>		
Total as at June 30, 2019					<u>18,937,800</u>	<u>18,837,838</u>	<u>(99,962)</u>		

5.2.1 These certificates have a face value of Rs. 70,000 each.

5.2.2 The terms and conditions of this sukuk certificate is as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
Dawood Hercules Corporation Limited	AA	6 years	Quarterly	November 16, 2022	3 months Kibor + 1.00%

5.3 Sukuk certificates (unlisted) - at fair value through profit or loss

Description	As at July 01, 2019	Purchased during the year	Disposed / matured during the year	As at June 30, 2020	As at June 30, 2020			Market value as a percentage of	
					Carrying value	Market value	Unrealised gain / (loss)	Total market value of investments	Net assets of the Fund
---- Number of certificates ----					----- Rupees -----				
International Brands Limited (Note 5.3.1)	200	-	85	115	7,984,265	8,137,807	153,542	43.66%	1.09%
Hub Power Company Limited Sukuk (Note 5.3.1)	-	100	100	-	-	-	-	-	-
Total as at June 30, 2020					<u>7,984,265</u>	<u>8,137,807</u>	<u>153,542</u>		
Total as at June 30, 2019					<u>20,000,000</u>	<u>19,590,000</u>	<u>(410,000)</u>		

5.3.1 These certificates having a face value of Rs. 71,478 each.

5.3.2 The terms and conditions of this sukuk certificate is as follows:

Name of the Investee Company	Rating	Tenure	Profit payments / principal redemptions	Maturity date	Rate of return
International Brands Limited	AA	4 years	Annually	November 21, 2021	3 Months Kibor + 0.50%

5.4 Unrealised gain / (loss) on revaluation of investments classified as 'financial assets at fair value through profit or loss' - net

	Note	2020	2019
----- (Rupees) -----			
Market value of investments		18,641,108	109,305,215
Less: carrying value of investments		(18,345,771)	(124,610,517)
		<u>295,337</u>	<u>(15,305,302)</u>

	Note	2020	2019
		----- (Rupees) -----	
6 SECURITY DEPOSITS			
Security deposits with:			
- Central Depository Company of Pakistan Limited (CDC)		100,000	100,000
- National Clearing Company of Pakistan Limited (NCCPL)		2,500,000	2,500,000
		<u>2,600,000</u>	<u>2,600,000</u>
7 DIVIDEND, PROFIT AND OTHER RECEIVABLE			
Profit receivable on:			
Bank balances		830,524	266,284
Sukuk certificates		2,434,204	1,944,503
Advance tax	7.1	238,640	238,640
Dividend receivable		359,641	22,414
		<u>3,875,933</u>	<u>2,471,841</u>

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2020, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt amounts to Rs 0.238 million (2019: Rs 0.238 million)

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Honourable Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund has been shown as other receivables as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	2020	2019
		----- (Rupees) -----	
8 PRELIMINARY EXPENSES AND FLOATATION COST			
At the beginning of the year		226,006	294,833
Preliminary expenses and floatation costs incurred		-	-
Amortisation during the year		(69,116)	(68,827)
At the end of the year	8.1	<u>156,890</u>	<u>226,006</u>

- 8.1** Preliminary expenses and floatation cost represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations, 2008.

	Note	2020	2019
		----- Rupees -----	
9 PAYABLE TO THE MANAGEMENT COMPANY			
Management remuneration payable	9.1	225,771	239,733
Sindh sales tax payable on management remuneration	9.2	29,358	31,159
Front end load payable		130,810	16,390
Payable against allocated expenses	9.3	32,214	85,337
Payable against selling and marketing expenses	9.4	48,068	341,352
		<u>466,221</u>	<u>713,971</u>

- 9.1** The Management company has charged its remuneration at the rate of 2% of average daily net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

- 9.2** During the year, an amount of Rs. 0.306 million (2019: Rs. 0.557 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.308 million (2019: Rs. 0.593 million) has been paid to the Management Company which acts as a collecting agent.

- 9.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The management company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 9.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of the net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged to the Fund during the current year in accordance with the relevant regulation.

During the current period, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense. The Board of Directors of the Management Company has also approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Management Company.

	Note	2020	2019
-----Rupees-----			
10 PAYABLE TO THE TRUSTEE			
Trustee remuneration payable	10.1	50,444	57,567
Sindh sales tax payable on Trustee remuneration	10.2	8,404	7,391
		<u>58,848</u>	<u>64,958</u>

- 10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Effective from July 1, 2019, the Trustee has revised its tariff as follows:

Existing tariff		Revised tariff
Net assets (Rs.)	Fee	
- up to Rs. 1 billion	Rs. 0.7 million or 0.20% p.a. of net assets whichever is higher.	0.20% p.a. of net assets
- over Rs. 1 billion	Rs. 2.0 million plus 0.10% p.a. of net assets exceeding Rs. 1 billion.	Rs. 2 million plus 0.10% p.a. of net assets on amount exceeding Rs. 1 billion.

Accordingly, the Fund has charged Trustee Fee at revised tariff during the current year and an amount of Rs 0.120 million has been recorded in the income statement.

- 10.2 During the year, an amount of Rs 0.0315 million (2019: Rs. 0.0945 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 0.031 million (2019: Rs. 0.091 million) was paid to the Trustee which acts as a collecting agent.

	Note	2020	2019
-----Rupees-----			
11 ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
Annual fee payable	11.1	<u>24,269</u>	<u>203,180</u>

- 11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019 has revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to Islamic Value Fund was 0.095%. Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period

	Note	2020	2019
-----Rupees-----			
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		520,868	387,200
Printing charges		65,771	81,018
Brokerage payable		346,578	53,738
Settlement charges payable		393,864	10,747
Shariah advisory fee		598,188	540,075
Distribution payable		44,412	-
Withholding tax payable		76,317	23,571
Capital value tax payable		7,474	2,076
Provision for Sindh Workers' Welfare Fund	12.1	20,382	4,938
Charity payable		102,486	160,677
		<u>2,176,340</u>	<u>1,264,040</u>

- 12.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were passed through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, the MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from October 12, 2017 to June 30, 2020, the net asset value per unit of the Fund as at June 30, 2020 would have been higher by Re 0.0023 (2019: Re 0.0031).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

14 PROFIT / MARK-UP INCOME	2020	2019
	-----Rupees-----	
Profit / mark-up income on:		
- Bank balances	2,248,954	2,877,328
- Sukuk certificates	4,448,909	4,989,825
	<u>6,697,863</u>	<u>7,867,153</u>
15 AUDITORS' REMUNERATION		
Annual audit fee	250,000	250,000
Review and other certifications	225,000	225,000
Out of pocket expenses	55,017	54,931
Sindh sales tax on services	42,401	42,394
	<u>572,418</u>	<u>572,325</u>
16 TOTAL EXPENSE RATIO (TER)		

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 4.28% which includes 0.34% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an asset allocation scheme.

17 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2020 to the unit holders in the manner as explained above, therefore no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on Funds as per Section 4B of the Income Tax Ordinance 2001.

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Alfalah GHP Investment Management Limited being the Management Company, Funds under management of the Management Company, GHP Beteiligungen Holding Limited, Bank Alfalah Limited and MAB Investment Incorporated being associated companies of the Management Company, Bank Alfalah Limited - Employees' Provident Fund, Bank Alfalah Limited - Employees' Gratuity Fund, Alfalah GHP Investment Management Limited - Staff Provident Fund, directors and key management personnel of Alfalah GHP Investment Management Limited and Central Depository Company of Pakistan Limited (CDC) being the Trustee of the Fund, and other associated companies and connected persons. Connected persons also includes any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investment and distribution payments to connected persons. The transactions with connected person are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, and the Trust Deed.

The details of transactions carried out by the Fund with related parties / connected persons during the year and balances with them as at year end are as follows:

18.1 Unit holders' fund

Note						2020				
	As at July 1, 2019	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	As at June 30, 2020	As at July 1, 2019	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2020

Unit holder holding 10% or more Units

		(Units)				(Rupees)					
Barrett Hodgson Pakistan (Private) Limited	18.1.1	500,554	-	1,646	-	502,200	44,757,691	-	146,199	-	44,602,531
Pak Qatar Investment Account	18.1.1	-	9,003,929	4,496	4,501,965	4,506,460	-	800,238,154	399,324	400,238,154	400,237,997
Pak Qatar Individual Family Participant Investment Amount Fund	18.1.1	-	5,627,456	2,810	2,813,728	2,816,538	-	500,148,846	249,578	250,148,846	250,148,793

2019										
As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	As at June 30, 2019	As at July 1, 2018	Issued for cash / conversion in / transfer in	Dividend	Redeemed/ conversion out / transfer out	Net asset value as at June 30, 2019	

Unit holder holding 10% or more Units

		(Units)				(Rupees)					
Barrett Hodgson Pakistan (Private) Limited		499,498	-	1,056	-	500,554	47,323,457	-	105,937	-	44,757,691
Muhammad Tanveer		94,930	93,940	223		189,093	9,543,413	9,500,000	22,404	-	16,908,018

18.1.1 This reflects the position of related party / connected person as at June 30, 2020.

18.2 Other transactions

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

	2020	2019
Remuneration of the Management Company	2,352,918	4,277,481
Sindh sales tax on remuneration of the Management Company	305,893	556,558
Allocated expenses	119,661	213,866
Selling and marketing expenses	136,227	855,469
Sales load	-	407,907

Bank Alfalah Limited

Profit on bank balances	85,649	137,735
Bank charges	12,394	22,159

CDC - TRUSTEE ALFALAH GHP ISLAMIC INCOME FUND

Sukuk certificates - sold	8,389,500	-
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Other related party

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	242,853	700,018
Sindh sales tax on remuneration of the Trustee	31,558	90,452
Settlement charges	-	5,554

18.3 Other balances

Associated companies / undertakings

Alfalah GHP Investment Management Limited - Management Company

Management remuneration payable	225,771	239,733
Sindh sales tax payable on management remuneration	29,358	31,159
Payable against allocated expenses	32,214	85,337
Payable against marketing and selling expenses	48,068	341,352
Sales load payable	130,810	16,390

	2020	2019
	-----Rupees-----	
Bank Alfalah Limited		
Bank balances	56,774,928	3,066,636
Profit receivable on bank balances	71,396	21,991
Other related party		
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	50,444	57,567
Sindh sales tax payable on Trustee remuneration	8,404	7,391
Security deposit	100,000	100,000

19 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2020, all the financial assets carried on the statement of assets and liabilities are categorised either as financial assets measured at amortised cost or financial assets at fair value through profit or loss. All the financial liabilities carried on the Statement of Assets and Liabilities are categorised as financial liabilities measured at amortised cost.

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees-----		
Financial assets			
Bank balances	725,326,396	-	725,326,396
Investments	-	17,328,184	17,328,184
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	3,624,369	-	3,624,369
	<u>730,250,765</u>	<u>17,328,184</u>	<u>748,891,873</u>

Particulars	2020		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees-----		
Financial liabilities			
Payable to the Management Company	466,221	-	466,221
Payable to the Trustee	58,848	-	58,848
Accrued expenses and other liabilities	2,072,167	-	2,072,167
	<u>2,597,236</u>	<u>-</u>	<u>2,597,236</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees-----		
Financial assets			
Bank balances	30,802,407	-	30,802,407
Investments	-	109,305,215	109,305,215
Security deposits	2,600,000	-	2,600,000
Dividend, profit and other receivable	2,233,201	-	2,233,201
	<u>35,635,608</u>	<u>109,305,215</u>	<u>144,940,823</u>

Particulars	2019		
	At amortised cost	At fair value through profit or loss	Total
	-----Rupees-----		
Financial liabilities			
Payable to the Management Company	713,971	-	713,971
Payable to the Trustee	64,958	-	64,958
Accrued expenses and other liabilities	1,233,455	-	1,233,455
	<u>2,012,384</u>	<u>-</u>	<u>2,012,384</u>

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund, the NBFC Regulations and the directives issued by the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds and are explained below:

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP.

Market risk comprises of three types of risks: currency risk, profit rate risk and price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The interest rate profile of the Fund's interest bearing financial instruments is as follows:

	2020	2019
	-----Rupees-----	
Variable rate instruments (financial assets)		
Sukuk certificates	17,328,184	38,427,838
Bank balances	725,324,396	30,802,407
	<u>742,654,580</u>	<u>69,230,245</u>

a) Sensitivity analysis for variable rate instrument

A reasonably possible change of 100 basis points in profit rates on the last repricing date would have increased / decreased net income of the year and the net assets of the Fund by Rs 0.0326 million (2019: Rs 0.022 million). The analysis assumes that all other variables remain constant.

b) Sensitivity analysis for fixed rate instrument

As at the reporting date, the Fund does not hold any fixed rate instruments.

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2020 can be determined as follows:

Particulars	2020					Total
	Effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----						
Financial assets						
Bank balances	3% - 7.5%	725,326,396	-	-	-	725,326,396
Investments	8.65 %- 14.99%	17,328,184	-	-	-	17,328,184
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	3,637,293	3,637,293
		742,654,580	-	-	6,237,293	748,891,873
Financial liabilities						
Payable to the Management Company		-	-	-	466,221	466,221
Payable to the Trustee		-	-	-	58,848	58,848
Accrued expenses and other liabilities		-	-	-	2,072,167	2,072,167
		-	-	-	2,597,236	2,597,236
On-balance sheet gap		742,654,580	-	-	3,640,057	746,294,637
Total profit rate sensitivity gap		742,654,580	-	-	3,640,057	746,294,637
Cumulative profit rate sensitivity gap		742,654,580	742,654,580	742,654,580		

Particulars	2019					Total
	Effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Up to three months	More than three months and up to one year	More than one year		
----- Rupees -----						
Financial assets						
Bank balances	4.75 %-12.50%	30,802,407	-	-	-	30,802,407
Investments	6.47 %- 11.03%	18,837,838	19,590,000	-	70,877,377	109,305,215
Security deposits		-	-	-	2,600,000	2,600,000
Dividend, profit and other receivable		-	-	-	2,233,201	2,233,201
		49,640,245	19,590,000	-	75,710,578	144,940,823
Financial liabilities						
Payable to the Management Company		-	-	-	713,971	713,971
Payable to the Trustee		-	-	-	64,958	64,958
Accrued expenses and other liabilities		-	-	-	1,233,455	1,233,455
		-	-	-	2,012,384	2,012,384
On-balance sheet gap		49,640,245	19,590,000	-	73,698,194	142,928,439
Total profit rate sensitivity gap		49,640,245	19,590,000	-	73,698,194	142,928,439
Cumulative profit rate sensitivity gap		49,640,245	69,230,245	69,230,245		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at reporting date, the Fund is not exposed to price risk, as no equity securities are held by the Fund.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

2020	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
----- Rupees -----					
Financial assets					
Bank balances	725,326,396	-	-	-	725,326,396
Investments	-	-	-	17,328,184	18,641,108
Security deposits	2,600,000	-	-	-	2,600,000
Dividend, profit and other receivable	3,637,293	-	-	-	3,637,293
	730,263,689	-	-	17,328,184	748,891,873
Financial liabilities					
Payable to the Management Company	466,221	-	-	-	466,221
Payable to the Trustee	58,848	-	-	-	58,848
Accrued expenses and other liabilities	2,072,167	-	-	-	2,072,167
	2,597,236	-	-	-	2,597,236
Net assets	<u>727,653,529</u>	<u>-</u>	<u>-</u>	<u>17,328,184</u>	<u>746,294,637</u>
----- Rupees -----					
2019	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years or more	Total
Financial assets					
Bank balances	30,802,407	-	-	-	30,802,407
Investments	70,877,377	-	-	38,427,838	109,305,215
Security deposits	2,600,000	-	-	-	2,600,000
Receivable against sale of investments	2,233,201	-	-	-	2,233,201
	106,512,985	-	-	38,427,838	144,940,823
Financial liabilities					
Payable to the Management Company	713,971	-	-	-	713,971
Payable to the Trustee	64,958	-	-	-	64,958
Accrued expenses and other liabilities	1,233,455	-	-	-	1,233,455
	2,012,384	-	-	-	2,012,384
Net assets	<u>104,500,601</u>	<u>-</u>	<u>-</u>	<u>38,427,838</u>	<u>142,928,439</u>

20.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

20.3.1 Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2020 was as follows:

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees		Rupees	
Bank balances	725,326,396	725,326,396	30,802,407	30,802,407
Investments	17,328,184	17,328,184	109,305,215	38,427,838
Security deposits	2,600,000	2,600,000	2,600,000	2,600,000
Dividends profit and other receivable	3,637,293	3,637,293	2,233,201	2,233,201
	<u>748,891,873</u>	<u>748,891,873</u>	<u>144,940,823</u>	<u>74,063,446</u>

Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent systematic measures taken therein.

No financial assets were considered to be past due or impaired at June 30, 2020.

20.3.2 Bank balances

The Fund held bank balances at June 30, 2020 with banks having following credit ratings:

Name of Bank	Rating agency	Rating	2020	2019
			Percentage of total bank balance	
Bank Alfalah Limited	PACRA	A1+	8.03%	9.96%
BankIslami Pakistan Limited	PACRA	A1	91.54%	2.25%
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A1+	0.21%	87.76%
MCB Islamic Bank Limited	JCR-VIS	A1	0.22%	0.00%
Meezan Bank Limited	JCR-VIS	A1+	0.00%	0.03%
			<u>100.00%</u>	<u>99.97%</u>

Above ratings are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2020.

20.3.3 Investments

The Fund held investment in sukuk certificates at June 30, 2020 with entities having following credit ratings:

Sukuk certificates by rating category	Rating agency	Rating	2020	2019
International Brands Limited	JCR-VIS	AA	43.66%	50.98%
Dawood Hercules Corporation Limited	JCR-VIS	AA	56.34%	49.02%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available rating assigned by PACRA and JCR-VIS as of June 30, 2020.

20.3.4 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Despite the high concentration of credit risk as stated above, the Fund has entered into transactions with credit worthy counterparties thereby mitigating any significant risk due to concentration of credit risk. Details of Fund's concentration of credit risk of financial instruments is as follows:

	2020		2019	
	Rupees	%	Rupees	%
Commercial banks (including profit receivable) [ratings disclosed in note 22.3.2]	726,169,844	96.97%	31,068,691	41.95%
Investments (including profit receivable) [ratings disclosed in 22.3.3]	19,762,401	2.64%	40,372,341	54.52%
Dividend receivable	359,641	0.05%	22,414	0.03%
National Clearing Company of Pakistan Limited (security deposit)	2,500,000	0.33%	2,500,000	3.38%
Central Depository Company of Pakistan Limited (security deposit)	100,000	0.01%	100,000	0.14%
	<u>748,891,886</u>	<u>100.00%</u>	<u>74,063,446</u>	<u>100.02%</u>

The Fund Manager / Investment Committee members and the Chief Executive of the Management Company critically monitor capital of the Fund on the basis of the value of net assets attributable to the unit holders and track the movement of "Assets under Management" as well as returns earned on the net assets to maintain investors' confidence and achieve future growth in business. Further, the Board of Directors is updated about the Fund's yield and movement of net asset value and total size at the end of each quarter.

In accordance with the NBFC Regulations, the Fund is required to distribute at least ninety percent of its income from sources other than capital gain as reduced by such expenses as are chargeable to the Fund.

Under the NBFC Regulations, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund has maintained minimum size of one hundred million rupees at all times during the year.

23 SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding unit holding pattern of the Fund, top ten brokers of the Fund, members of the Investment Committee, fund manager, meetings of the Board of Directors, credit rating of the Fund and the Management Company of the Fund as required under Schedule V of the NBFC Regulations has been disclosed in Annexure to these financial statements.

24 GENERAL

24.1 Figures have been rounded off to the nearest rupee.

24.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

- a) The time period to regularize the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Maximum limit for application of discretionary discount as per the Annexure-I, Chapter 3 of Circular 33 of 2012 has been enhanced;
- c) The time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012;
- d) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- e) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

24.3 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **24 August, 2020** by the Board of Directors of the Management Company.

**For Alfalah GHP Investment Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

UNIT HOLDING PATTERN OF THE FUND

Category	As at 30 June 2020			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	80	529,448	47,020,000	6%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	0%
Retirement & Other Funds	-	-	-	0%
Others	4	7,876,427	699,541,725	94%
	84	8,405,875	746,561,725	100%

Category	As at 30 June 2019			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	107	922,199	82,508,511	58%
Associated Co./ Directors	-	-	-	0%
Banks/Dfis	-	-	-	0%
Insurance Co.	-	-	-	-
Retirement & Other Funds	2	127,192	11,379,805	8%
Others	3	551,652	49,271,004	34%
	112	1,601,043	143,159,320	100%

TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

	30 June 2020
	%
Al Habib Capital Markets Limited	13%
Arif Habib Limited	4%
BIPL Securities	6%
BMA Capital Management Limited	10%
EFG Hermes Pakistan Limited	9%
Foundation Securities Limited	13%
Inter Market Securities Limited	4%
Nael Capital Private Limited	6%
Taurus Securities Limited	6%
Topline Securities (Pvt) Limited	4%
	30 June 2019
	%
Foundation Securities Limited	9%
Ismail Iqbal Securities (Pvt.) Limited	8%
Inter Market Securities Limited	8%
Taurus Securities Limited	6%
Next Capital Limited	6%
Fortune Securities Limited	6%
EFG Hermes Pakistan Limited	6%
Shajar Capital Pakistan Private Limited	5%
Optimus Capital Management (Pvt) Limited	5%
Elixir Securities Pakistan (Pvt.) Limited	5%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the members of the Investment Committee of the Fund:

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Sana Abdullah
Wahaj Ahmed

Maheen Rahman – CEO

Maheen Rahman has over ten years of experience in the financial services industry. Prior to joining Alfalah GHP Investment Management Limited she was Head of Business Development at IGI Securities the brokerage arm of IGI Financial Services. She has also served as Head of Research for BMA Capital Management where she spearheaded the research effort to provide sound and in depth investment advice across all capital markets to a wide range of corporate and institutional clients. Ms Rahman has also worked with Merrill Lynch in their Investment Banking Group and was a key team member for several high profile international transactions that spanned the Asia Pacific region and North America. She has also worked with ABN Amro Bank in Corporate Finance and M&A Advisory and was involved in a series of equity raising and IPO activity across south-east Asia.

Noman Soomro

Mr. Soomro is a qualified Chartered Accountant from the Institute of Chartered Accountant of Pakistan (ICAP). Prior to joining Alfalah GHP Investment Management Limited, he was Chief Financial Officer & Company Secretary of HBL Asset Management Limited for seven years. During his tenor as CFO, he was responsible for all financial and fiscal management aspects of Company operations and Mutual Funds/Pension Schemes under management of the Company. The job also included providing leadership and coordination in the administrative, business planning, strategy, accounting, taxation and budgeting efforts of the Company. Before HBL Asset Management Limited, he was working at A F Ferguson Chartered Accountants; a member firm of PricewaterhouseCoopers (PwC). During his five years at A.F Ferguson with the Assurance and Business Advisory Services of the firm, he conducted audits of major financial institutions of Pakistan including local and foreign commercial banks, mutual funds, modarbas, housing finance company and leasing companies. He was also a key member of the team which conducted pre-acquisition Financial and Taxation Due Diligence Review of a commercial bank in Pakistan. Mr. Soomro has also conducted Internal Audit reviews of a large commercial bank and a foreign bank, where the responsibilities included reporting on effectiveness and efficiency of internal audit department, and independent reporting on internal control weaknesses.”

Shariq Mukhtar Hashmi

Mr. Hashmi holds a diversified experience of over 11 years with various private sector enterprises of repute. He joined IGI Funds Limited (which subsequently merged into Alfalah GHP Investment Management Limited in Oct. 2013) in 2010 to lead the back office function as Head of Operations & Settlements. His association has continued, post-merger, as Head of Compliance & Risk Management. He has previously served National Asset Management Company as Head of Internal Audit and Feroze Sharif Tariq & Co Chartered Accountants in various capacities. He has also headed the Internal Audit Department of the Company. Mr. Hashmi is a qualified Accountant from the Association of Chartered Certified Accountants, UK and holds MBA degree in Finance from SZABIST University. He is also enrolled for Financial Risk Manager Certification of Global Association of Risk Professionals; USA.

Muddasir Ahmed Shaikh

Mr. Muddasir has more than 10 years of experience in Investment Management & Equity Research. During his career, he has served a number of public and private institutions of repute. Prior to joining IGI Funds Limited, he has been associated with Atlas Asset Management Limited, National Investment Trust Limited, and JS Investments Limited (Formerly JS Abamco Ltd.). Mr. Muddasir holds a Masters degree in Business Administration from Institute of Business Administration, Karachi.

Nabeel Malik

Mr. Nabeel Malik brings with him a rich and diversified experience in the field of fund management and fixed income trading/facilitation. Before becoming a part of IGI Funds’ team, he was associated with Pak-Oman Asset Management Co, heading its Fixed Income Fund Management Dept. where he proficiently handled money market trading, liquidity and funds management contributing positively towards bottom line profitability. His diverse experience in the field of finance includes names like Pak-Kuwait Investment Co, Orix Investment Bank, KASB Securities, and Mobilink GSM.

Sana Abdullah

Ms. Sana has over fifteen years of experience in equity and macro-economic research and investment management. Sana has recently joined Alfalah GHP as an Equity Portfolio Manager. Prior to joining Alfalah GHP Investment Management she was serving as the Vice President, Head of Research at Lakson Investments Limited, where she was a key member of the Investment Committee and was responsible for investment strategy formulation for both equity and fixed income. She has headed research teams at both buy and sell side research houses. Sana was also associated with Tundra Fonder, a Swedish asset management firm, with investments in frontier markets, where she managed their research function.

Sana is a Chartered Financial Analyst (CFA Charter holder) and MBA in MIS/ Information Technology from Iqra University, Karachi.

Wahaj Ahmed

Mr. Ahmed has more than 7 years' experience of managing Fixed Income portfolios. Prior to joining Alfalah GHP investment, he was serving as Fund Manager Fixed income funds at ABL Asset Management Company. During his career, he has also served other reputable institutions such as UBL Fund Managers and Summit Bank Ltd as a Dealer Fixed income Funds and Management Associate Financial Institutions.

Currently serving the company as a Fund Manager Fixed Income Funds, Mr. Ahmed is a part of the portfolio management team and a member of the investment committee for the mutual funds. During his career as portfolio manager, he has managed various conventional and Islamic fixed income mutual funds schemes.

Mr. Ahmed holds a Master's degree in Business Administration from Institute of Business Management, Karachi, and has also cleared CFA Level 1 Exam

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 89th, 90th, 91st, 92nd and 93rd Board Meetings were held on 29 Aug 2019, 30 Oct 2019, 16 Dec 2019, 10 Feb 2020 and 05 May 2020 respectively.

Name of Director	Number of Meetings			Meeting not attended
	Held	Attended	Leave Granted	
Hanspeter Beier	5	4	1	1
Syed Ali Sultan	5	4	1	1
Ms. Maheen Rahman	5	5	-	-
Mr. Abid Naqvi	5	2	3	3
Mr. Tufail Jawed Ahmad	5	2	3	3
Ms. Mehreen Ahmed	5	4	1	1
Ms. Dominique Liana Russo	5	5	-	-
Mr. Edward Phillip Hurt	5	5	-	-

**SUPPLEMENTARY NON FINANCIAL INFORMATION
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OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE - AGIVF

	30 June 2020 (Rupees in '000)	30 June 2019 (Rupees in '000)	30 June 2018 (Rupees in '000)
Net Assets	746,562	143,159	290,423
NAV per unit	88.8143	89.4164	100.5300
Selling price per unit	89.5670	92.4476	103.9386
Redemption price per unit	88.8143	89.4164	100.5300
Highest selling price per unit	106.4587	106.3914	110.0563
Highest redemption price per unit	102.9681	102.9030	106.4477
Lowest selling price per unit	79.3273	88.3010	99.7689
Lowest redemption price per unit	76.7263	88.3010	96.4976
Total interim distribution per unit	0.2547	N/A	Nil
Interim distribution date	26 Jun,2020	N/A	N/A
Final distribution per unit	0.0743	N/A	0.236
Final distribution date	30 Jun,2020	N/A	02 Jul,2018
Annualized returns	1.86%	-10.80%	0.53%
Income distribution	N/A	N/A	0.24%
Weighted avg. portfolio duration	N/A	N/A	N/A

Return since inception is -3.18 %

The past performance is not necessarily indicative of future performance and that units prices and investment returns may go down, as well as up.

**Summary of Actual Proxy voted by Alfalah
GHP Islamic Dedicated Equity Fund**

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
Sui Northern Gas Pipelines Limited							
EOGM	2-Jun-20	Approval of Annual Accounts of the Company	22,100	0.003%	✓		
		Declaration of Dividend					



اظہار تشکر

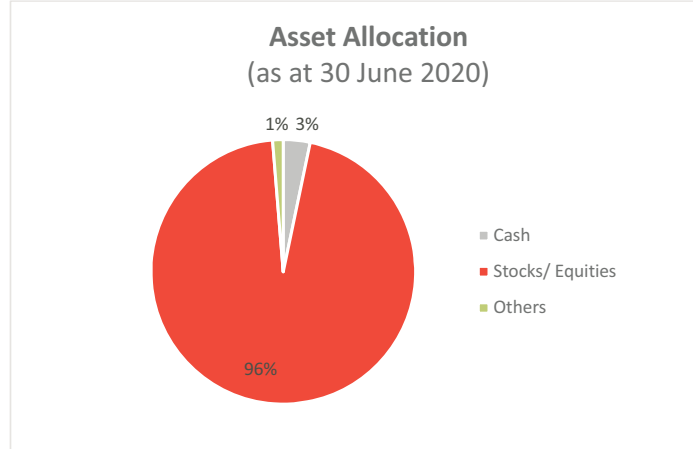
ڈائریکٹر قابل قدر معاونت، مدد اور رہنمائی پر سینکوریٹز اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان کے شکر گزار ہیں۔ بورڈ ممبران اور محنت پر مبنی کمپنی کے ملازمین اور ٹرینیوں کا اور مینجمنٹ میں اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

چیف ایگزیکٹو آفیسر

کراچی: 29 اگست 2020ء





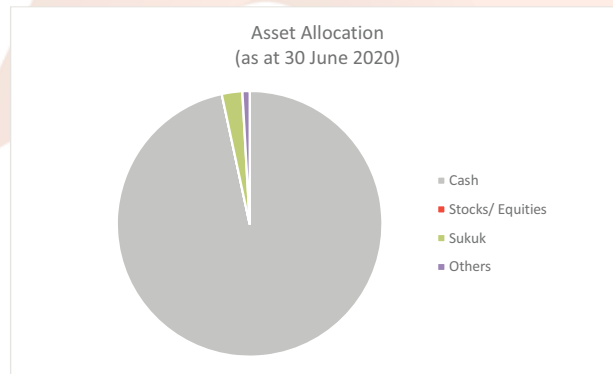
Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	194.490	948.82
Gross (loss) / income	-20.98	-149.23
Total Comprehensive Loss	-29.70	-177.10
Net Assets Value per Unit (PKR)	63.9614	59.8829
Issuance of units during the period	576.00	1,295.00
Redemption of units during the period	-244.66	-2,732.74

ادائیگی

سال کے اختتام کے بعد، فنڈ نے پونٹ ہولڈرز کو 0.3434 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data

(Rupees in Million)

Description	For the year ended June 30, 2020	For the year ended June 30, 2019
Average Net Assets	121.418	213.87
Gross (loss) / income	5.96	-13.15
Total Comprehensive Loss	0.76	-21.93
Net Assets Value per Unit (PKR)	88.8143	89.4693
Issuance of units during the period	1,312.92	66.50
Redemption of units during the period	-709.53	-191.07

Key Financial Data Alfalah GHP Islamic Prosperity Planning Fund (Rupees in Million)

Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	For the year ended June 30, 2020					
Average Net Assets	154.42	279.633	375.383	166.081	113.571	45.587
Gross income / (loss)	13.43	27.79	8.52	11.29	10.10	4.53
Total Comprehensive Income / (loss)	12.46	25.77	6.44	10.37	9.43	4.22
Net Assets Value per Unit (PKR)	98.5484	99.4139	90.0817	81.2741	100.2739	100.2582
Issuance of units during the year	3.23	19.32	9.30	8.89	5.73	1.83
Redemption of units	-235.57	162.69	-70.01	-543.26	-96.86	-30.80

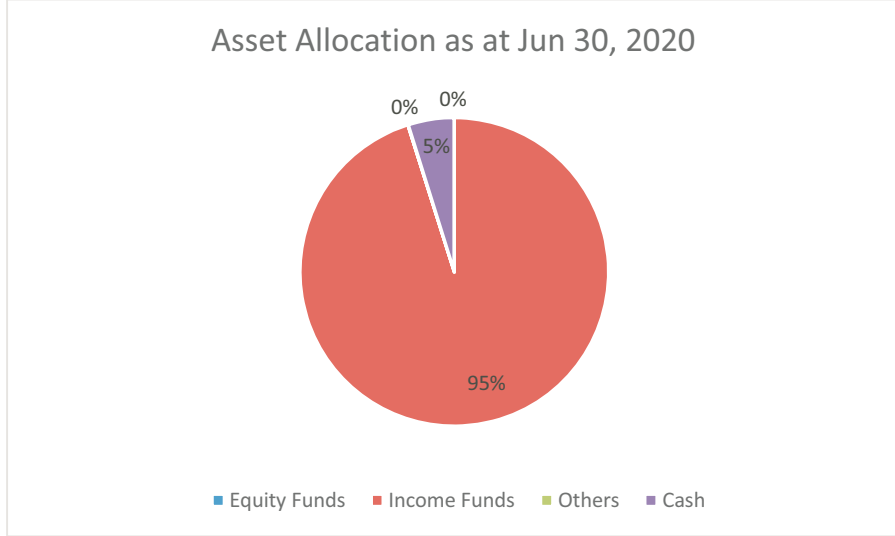
Description	Islamic Moderate Plan	Islamic Balance Allocation Plan	Islamic Active Allocation Plan - II	Islamic Active Allocation Plan - III	Islamic Capital Preservation Plan - IV	Islamic Capital Preservation Plan - V
	For the year ended June 30, 2019					
Average Net Assets	521.62	792.14	1,225.46	881.00	530.82	75.07
Gross income / (loss)	24.87	27.30	-29.89	-22.31	26.15	3.02
Total Comprehensive Income / (loss)	22.64	24.95	-33.68	-25.31	21.29	2.70
Net Assets Value per Unit (PKR)	98.1864	99.2760	90.6267	92.9738	100.1956	100.1816
Issuance of units during the year	269.52	218.36	-	9.82	908.30	105.86
Redemption of units	-835.14	-1,154.95	-1,286.27	-362.93	-749.58	-50.80

الفلاح GHP اسلامک پراسیورینٹی پلاننگ فنڈ - کیپٹل پریزرویشن 4

فنڈ نے بیچ مارک 3.25 فیصد کم آنے کے برعکس 7.43 فیصد ریٹرن کمایا۔

ادا ہوگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 7.3595 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

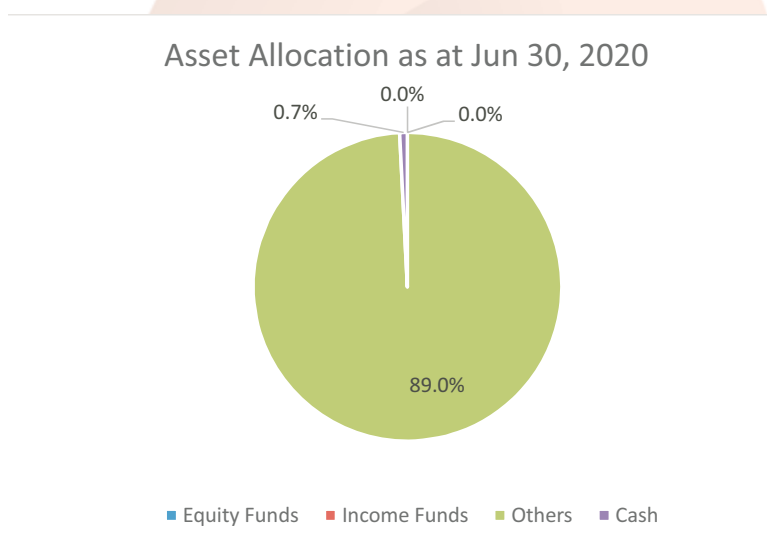


الفلاح GHP اسلامک پراسیورینٹی پلاننگ فنڈ - کیپٹل پریزرویشن 5

فنڈ نے بیچ مارک 4.28 فیصد کم آنے کے برعکس 7.94 فیصد ریٹرن کمایا۔

ادا ہوگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 7.8755 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

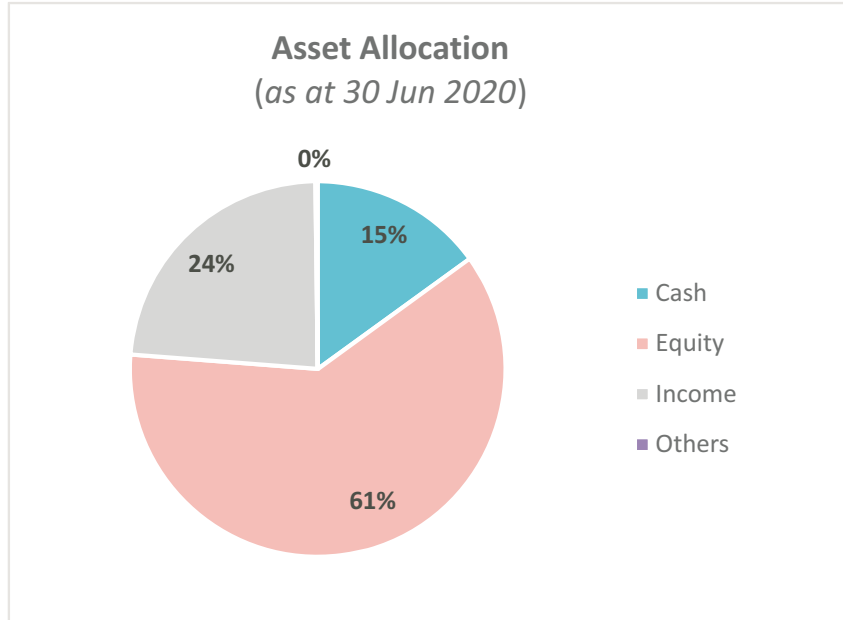


الفلاح GHP اسلاک پراسیورٹی پلاننگ فنڈ- ایکٹو بلیو کیشن پلان III

فنڈ نے بیچ مارک 2.25- فیصد کمانے کے برعکس 1.12 فیصد ریٹرن کمایا۔

اداگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 12.6758 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

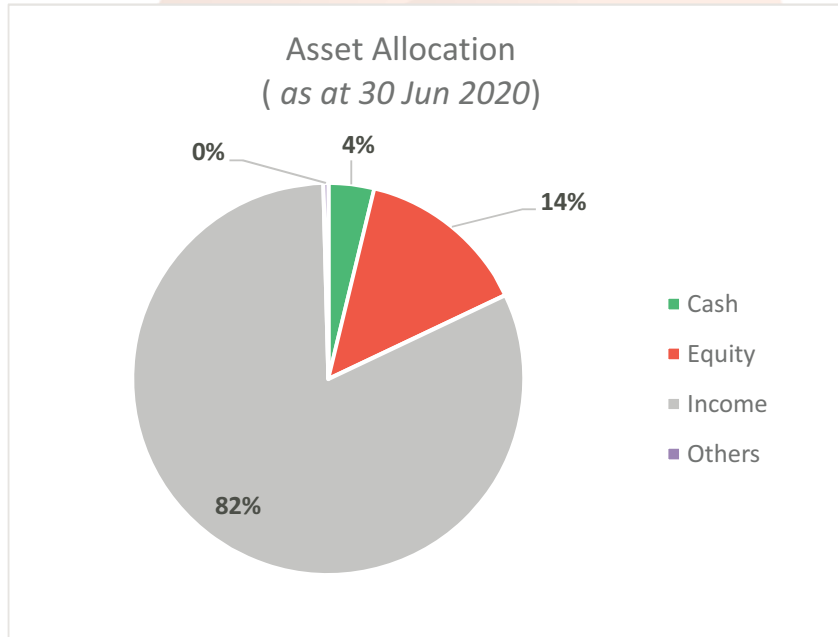


الفلاح GHP اسلاک پراسیورٹی پلاننگ فنڈ- بیلنس ایلو کیشن پلان

فنڈ نے بیچ مارک 6.522 فیصد کمانے کے برعکس 9.04 فیصد ریٹرن کمایا۔

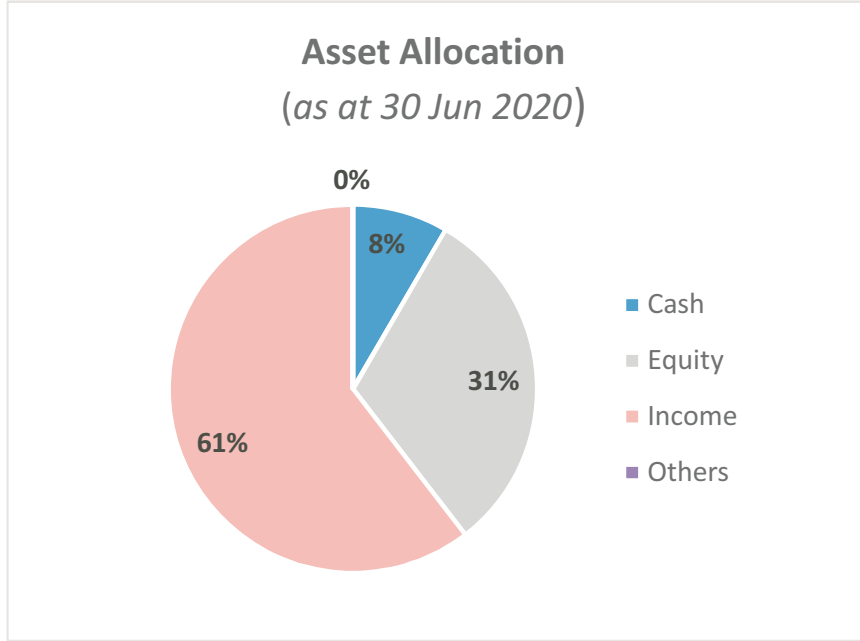
اداگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 8.8238 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



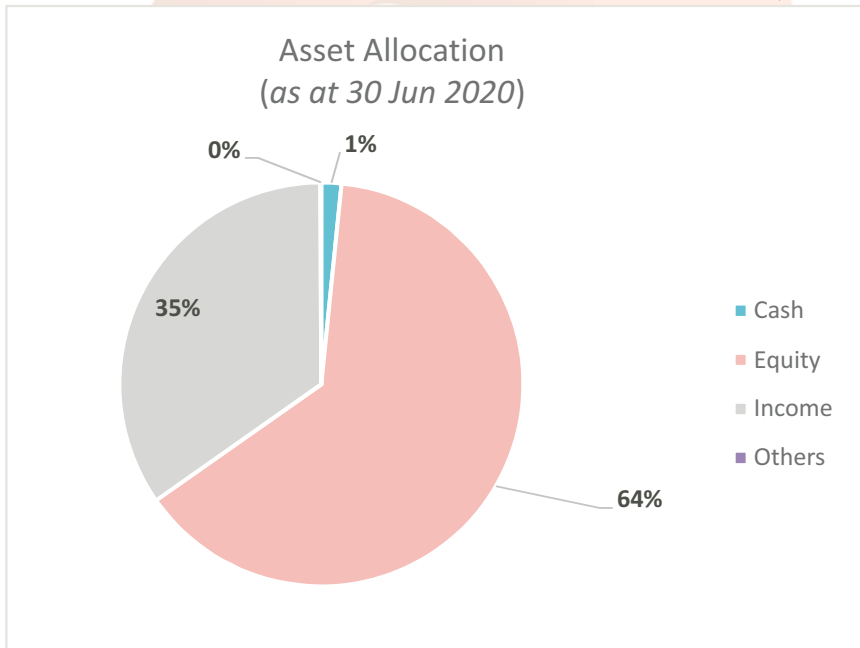
الفلاح GHP اسلامک پرائیمری پلاننگ فنڈ - ایکٹو بلیو کیشن پلان
 فنڈ نے بیچ مارک 3.18 فیصد کم آنے کے برعکس 5.94 فیصد ریٹرن کمایا۔
 ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 5,449 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔



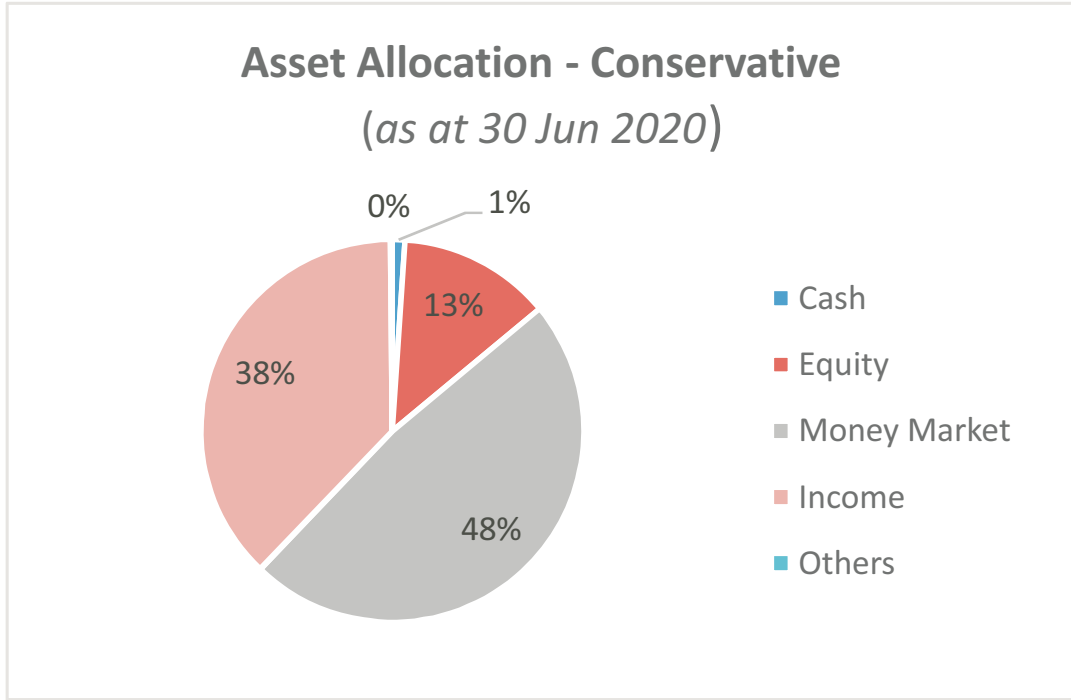
الفلاح GHP اسلامک پرائیمری پلاننگ فنڈ - ایکٹو بلیو کیشن پلان II
 فنڈ نے بیچ مارک 1.75 فیصد کم آنے کے برعکس 1.26 فیصد ریٹرن کمایا۔
 ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 1,6799 روپے فی یونٹ نقد منافع منقسمہ ادا کیا۔



الفلاح GHP پراسپیریٹی پلاننگ فنڈ - کنزرویٹو پلان
 فنڈ نے بیچ مارک جو 10.91 فیصد کمایا کے برعکس 9.48 فیصد ریٹرن کمایا۔
 ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 9.542 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



Key Financial Data Alfalah GHP Prosperity Planning Fund

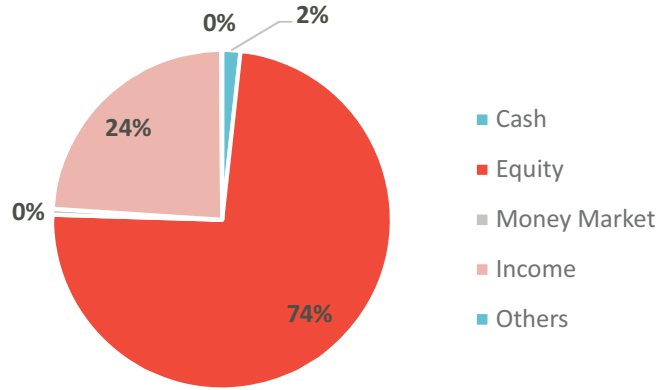
(Rupees in Million)

Description	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan	Alfalah GHP Active Allocation Plan	Alfalah GHP Conservative Allocation Plan	Alfalah GHP Moderate Allocation Plan
	For the year ended June 30, 2020			For the year ended June 30, 2019		
Average Net Assets	151.726	181.622	230.629	327.03	291.61	409.59
Gross (loss) / income	0.60	17.86	20.48	-14.87	12.10	-4.11
Total Comprehensive (loss) / Income	0.13	16.39	19.27	-16.18	10.09	-5.94
Net Assets Value per Unit (PKR)	98.1816	102.8413	98.3850	98.9192	102.6701	98.0168
Issuance of units during the year	0.14	11.84	12.41	3.63	82.51	22.97
Redemption of units during the year	-17.89	-9.10	-74.41	-328.07	-266.16	-283.65

الفلاح GHP پراسپیئرٹی پلاننگ فنڈ- ایکٹو ایلوکیشن پلان
 فنڈ کارٹیرن 1.65 فیصد نیچ مارک ریٹرن کے برعکس 0.75- فیصد پر قائم رہا۔
 ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 0.0918 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

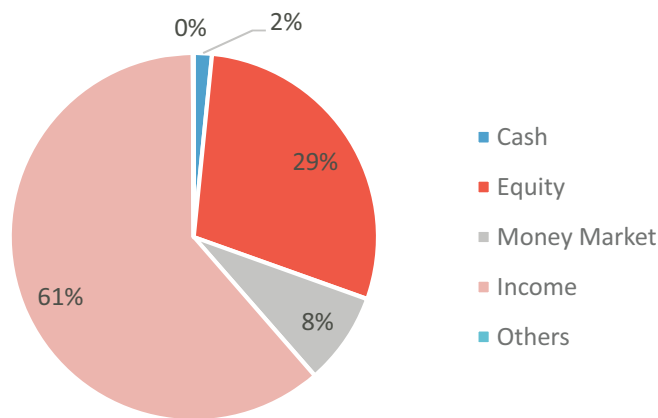
Asset Allocation - Active (as at 30 Jun 2020)



الفلاح GHP پراسپیئرٹی پلاننگ فنڈ- ماڈریٹ پلان
 فنڈ کارٹیرن 9.49 فیصد نیچ مارک ریٹرن کے برعکس 7.25 فیصد پر قائم رہا۔
 ادائیگی

سال کے دوران، فنڈ نے یونٹ ہولڈرز کو 6.7166 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔

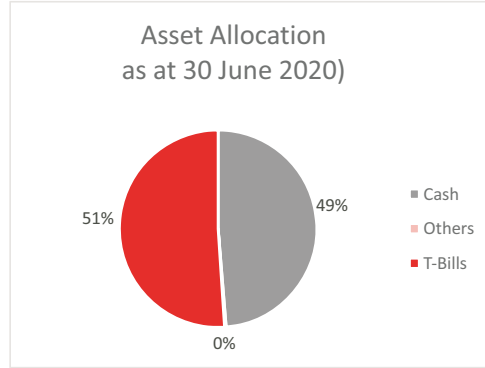
Asset Allocation - Moderate (as at 30 Jun 2020)



الفلاح GHP کیش فنڈ

مالی سال 20 کے دوران، الفلاح GHP کیش فنڈ (AGCF) نے 12.67 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ نے بیچ مارک ریٹرن 11.66 فیصد کمایا۔

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 30.3091 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



(روپے بلین میں)

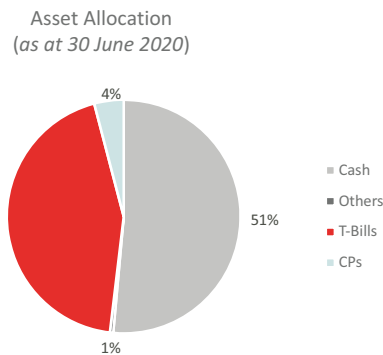
کلیدی مالیاتی اعداد و شمار

برائے 30 جون 2019	برائے 30 جون 2020	تفصیل
116.42	5,466.275	اوسط خالص اثاثے
12.48	689.40	مجموعی (نقصان)
9.70	656.33	کل مجموعی نقصان
499.0847	499.9776	خالص اثاثے کی ویلیو فی یونٹ (پاکستانی روپے)
450.98	7,620.07	مدت کے دوران یونٹس کا اجراء
-524.27	-1,950.76	مدت کے دوران یونٹس کی واپس وصولی

الفلاح GHP منی مارکیٹ فنڈ

مالی سال 20 کے دوران، الفلاح GHP منی مارکیٹ فنڈ (AGMMF) نے 12.64 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ نے بیچ مارک 11.66 فیصد کمایا۔

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 11.5341 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



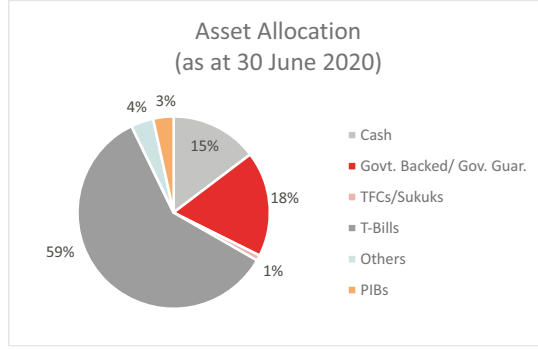
(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

برائے 30 جون 2019	برائے 30 جون 2020	تفصیل
13,580.36	19,160.135	اوسط خالص اثاثے
1,379.27	2,514.54	مجموعی (نقصان)
1,254.08	2,310.85	کل مجموعی نقصان
97.9519	98.1382	خالص اثاثے کی ویلیو فی یونٹ (پاکستانی روپے)
41,902.93	38,402.39	مدت کے دوران یونٹس کا اجراء
-28,840.22	-40,985.38	مدت کے دوران یونٹس کی واپس وصولی

مالی سال 20 کے دوران، الفلاح GHP سوریجن فنڈ نے 16.16 فیصد ریٹرن کمایا جبکہ گزشتہ سال کی اسی مدت کے دوران فنڈ کا بیج مارک ریٹرن 12.08 فیصد پر قائم رہا۔
ادائیگی

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 16.7887 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



(روپے بلین میں)

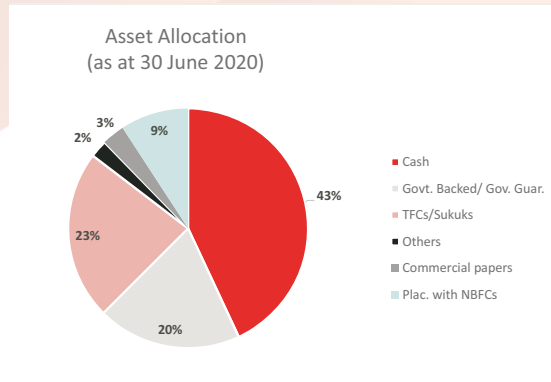
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2020	برائے 30 جون 2019
اوسط خالص اثاثے	938.561	858.85
مجموعی (نقصان)	163.46	83.13
کل مجموعی نقصان	141.80	63.07
خالص اثاثے کی ویلیو فی یونٹ (پاکستانی روپے)	106.6712	106.3270
مدت کے دوران یونٹس کا اجراء	4,232.62	2,824.15
مدت کے دوران یونٹس کی واپس وصولی	-3,690.87	-2,690.85

الفلاح GHP اسلامک آفم فنڈ

زیر جائزہ مدت کے دوران، الفلاح GHP اسلامک آفم فنڈ نے 11.56 فیصد سالانہ ریٹرن کمایا جبکہ بیج مارک ریٹرن 6.33 فیصد تھا۔
ادائیگی

سال کے اختتام کے بعد، فنڈ نے یونٹ ہولڈرز کو 11.2168 روپے فی یونٹ کا نقد منافع منقسمہ ادا کیا۔



(روپے بلین میں)

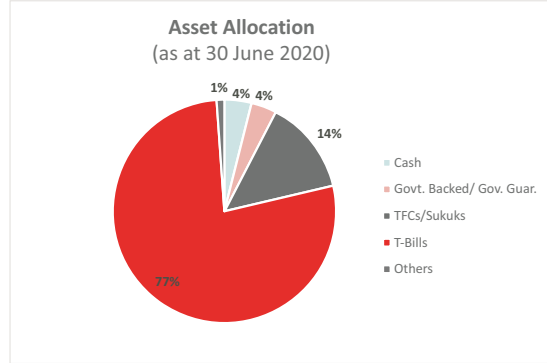
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2020	برائے 30 جون 2019
اوسط خالص اثاثے	5707.148	4,474.85
مجموعی (نقصان)	703.87	412.23
کل مجموعی نقصان	596.49	328.53
خالص اثاثے کی ویلیو فی یونٹ (پاکستانی روپے)	102.0298	101.9017
مدت کے دوران یونٹس کا اجراء	26,611.89	7,534.44
مدت کے دوران یونٹس کی واپس وصولی	-21,464.84	-7,226.59

الفلاح GHP اگم فنڈ

زیر جائزہ مدت کے دوران، AGIF نے 14.83 فیصد ریٹرن کمایا جبکہ فنڈ کا بیچ مارک 12.23 فیصد پر قائم رہا۔
ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 16.4172 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔



(روپے بلین میں)

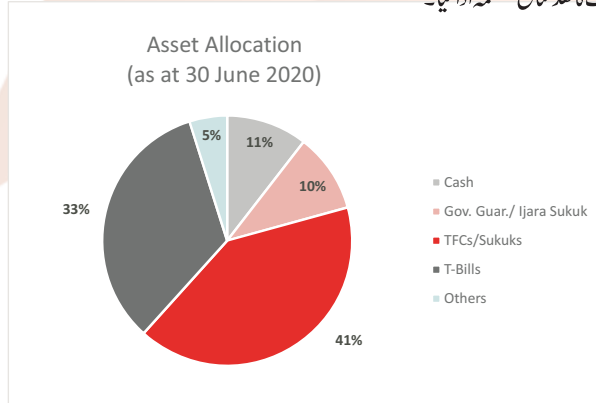
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2019 مختتمہ سال	برائے 30 جون 2020 مختتمہ سال
اوسط خالص اثاثے	346.68	434.753
مجموعی (نقصان)	32.11	65.26
کل مجموعی نقصان	24.25	55.77
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	112.4856	112.7162
مدت کے دوران پونٹس کا اجراء	538.44	1764.24
مدت کے دوران پونٹس کی واپس وصولی	-787.67	-751.99

الفلاح GHP اگم ملٹی پلائر فنڈ

سال کے دوران، الفلاح GHP اگم ملٹی پلائر فنڈ نے 15.26 فیصد ریٹرن کمایا جبکہ بیچ مارک 12.27 فیصد پر قائم رہا۔
ادائیگی

سال کے دوران، فنڈ نے پونٹ ہولڈرز کو 8.1534 روپے فی پونٹ کا نقد منافع منقسمہ ادا کیا۔

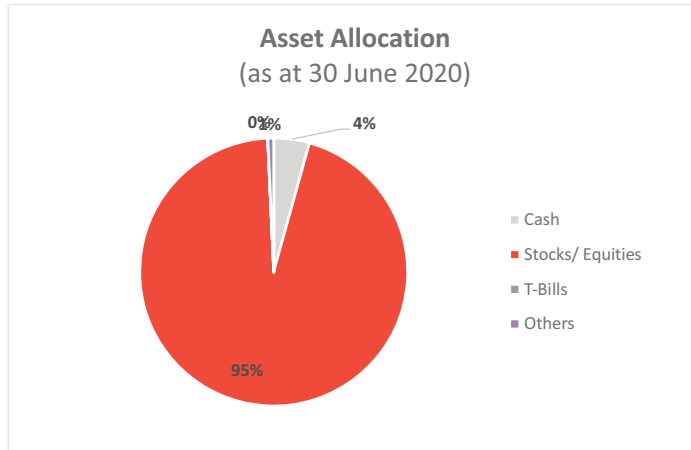


(روپے بلین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2019 مختتمہ سال	برائے 30 جون 2020 مختتمہ سال
اوسط خالص اثاثے	417.93	294.927
مجموعی (نقصان)	33.49	50.00
کل مجموعی نقصان	23.62	41.88
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	53.2667	53.2461
مدت کے دوران پونٹس کا اجراء	1,077.94	229.43
مدت کے دوران پونٹس کی واپس وصولی	-1,340.06	-389.28

مالی سال 20 کے دوران، AGSF نے گزشتہ سال کی اسی مدت کے دوران 1.53 فیصد بیچ مارک (KSE-100) ریٹرن کے برعکس -3.74 فیصد کار ریٹرن کمایا۔



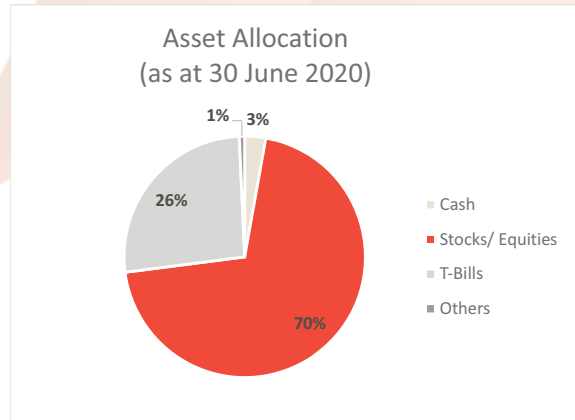
(روپے ملین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2020 ختمہ سال	برائے 30 جون 2019 ختمہ سال
اوسط خالص اثاثے	1,418.716	2,223.66
مجموعی (نقصان)	-94.23	-312.44
کل مجموعی نقصان	-149.72	-386.55
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	94.6522	98.3279
مدت کے دوران پیس کا اجراء	1,667.49	1,015.87
مدت کے دوران پیس کی واپس وصولی	-1,726.46	-1,250.23

الفلاح GHP ویلیو فنڈ

مالی سال 20 کے دوران، AGVF نے گزشتہ سال کی اسی مدت کے دوران 5.82 فیصد بیچ مارک ریٹرن کے برعکس 0.94 فیصد ریٹرن کے ساتھ اپنی بیچ مارک کی ابتکار کردگی کا مظاہرہ کیا۔



(روپے ملین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2020 ختمہ سال	برائے 30 جون 2019 ختمہ سال
اوسط خالص اثاثے	1,028.571	1,738.04
مجموعی (نقصان)	55.48	-89.78
کل مجموعی نقصان	18.14	-147.18
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	49.9683	50.5829
مدت کے دوران پیس کا اجراء	108.22	703.81
مدت کے دوران پیس کی واپس وصولی	-552.93	-1,192.67

مالی سال 20 کے دوران، AGAF نے اسی مدت کے دوران 1.53 فیصد کی بیچ مارک (KSE-100) ریٹرن کے برعکس 3.37 فیصد کار ریٹرن کمایا۔

Asset Allocation
(as at 30 June 2020)



(روپے ملین میں)

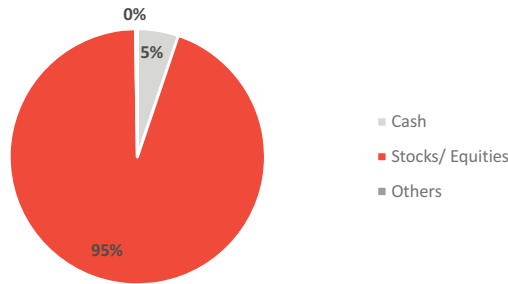
کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2020	برائے 30 جون 2019
اوسط خالص اثاثے	961.599	1,532.11
مجموعی (نقصان)	-7.16	-242.65
کل مجموعی نقصان	-46.00	-293.82
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	53.55	55.42
مدت کے دوران پونٹس کا اجراء	665.31	659.16
مدت کے دوران پونٹس کی واپس وصولی	-773.27	-1,088.71

الفلاح GHP اسلامک اسٹاک فینڈ

مالی سال 20 کے دوران، AGISTF نے 1.34 فیصد کار ریٹرن کمایا جبکہ اسی مدت کے دوران اپنے بیچ مارک ریٹرن 1.62 فیصد کمایا تھا۔

Asset Allocation
(as at 30 June 2020)



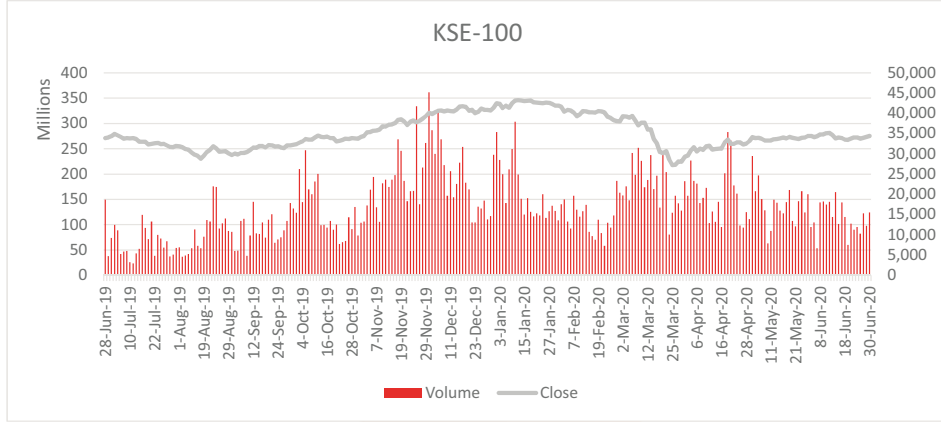
(روپے ملین میں)

کلیدی مالیاتی اعداد و شمار

تفصیل	برائے 30 جون 2020	برائے 30 جون 2019
اوسط خالص اثاثے	2,062.196	3,469.73
مجموعی (نقصان)	-18.94	-574.09
کل مجموعی نقصان	-103.13	-691.36
خالص اثاثے کی ویلیوٹی پونٹ (پاکستانی روپے)	40.0924	40.6369
مدت کے دوران پونٹس کا اجراء	2,608.44	2,202.39
مدت کے دوران پونٹس کی واپس وصولی	-2,667.96	-2,969.29

تاہم، متعدد مثبت مراحل نے مقامی بورس کی واپسی کا آغاز کیا کیونکہ KSE-100 میں دوبارہ بہتری آئی اور سال کے اختتام تک 26 فیصد ریٹرن کے باعث 27,228 پوائنٹس کی پستی سے 34,422 پوائنٹس پر بند ہوا۔ واپسی کے اسباب (a) چین میں وبائی بیماری کے پھیلاؤ پر قابو پانا اور عالمی سطح پر لاک ڈاؤن میں نرمی جس کے نتیجے میں سرحد پار تجارت میں اضافہ ہوا (b) مقامی سطح پر سارٹ لاک ڈاؤن پر عمل درآمد، جس کے تحت کچھ خاص ایس اوپیز کے ساتھ کام کرنے کی اجازت دی گئی، لہذا کاروباری سرگرمیوں میں معمول کی صورتحال کی بحالی (c) اقتصادی شرح نمو کو فروغ دینے کے لئے پالیسی شرح کو مجموعی طور پر 625bps تک کم کرنے اور ایک سال کے لئے قرض کی واپس ادائیگی کو موثر کرتے ہوئے صنعتوں کو ریلیف فراہم کرنے کے لئے سنٹرل بینک کے اقدامات (d) کاروبار کرنے کے اخراجات کو کم کرنے اور معاشی سرگرمیوں میں اضافے کو فروغ دینے کے لئے حکومت کی طرف سے کئی پیکیجز اور سبسڈیوں کا اعلان۔ (e) مقامی کوڈ 19 کینسر میں معجزاتی کمی، کیونکہ جون کے وسط میں روزانہ کی تعداد 6.5k سے کم ہونا شروع ہو گئی اور سال کے اختتام تک 4K رہ گئی، اس کے بعد جولائی 2020 کے آخر تک 3 ہندسوں میں آگئی۔ جون میں 108.3k کینسر کے مقابلے جولائی کے آخر تک فعال کینسر صرف 25.2K رہ گئے۔

آگے بڑھتے ہوئے، معاشی بنیادی اصول اور معمول کی کاروباری سرگرمیوں کا دوبارہ آغاز مارکیٹ کی سمت کا تعین کرے گا۔ ہمارے خیال میں، بینکوں اور E&Ps کی پرکشش قیمتوں کے ساتھ مینوفیکچررز کی کاروباری سرگرمی کو بہتر بنانا مارکیٹ جذبات کو مثبت رکھے گا۔

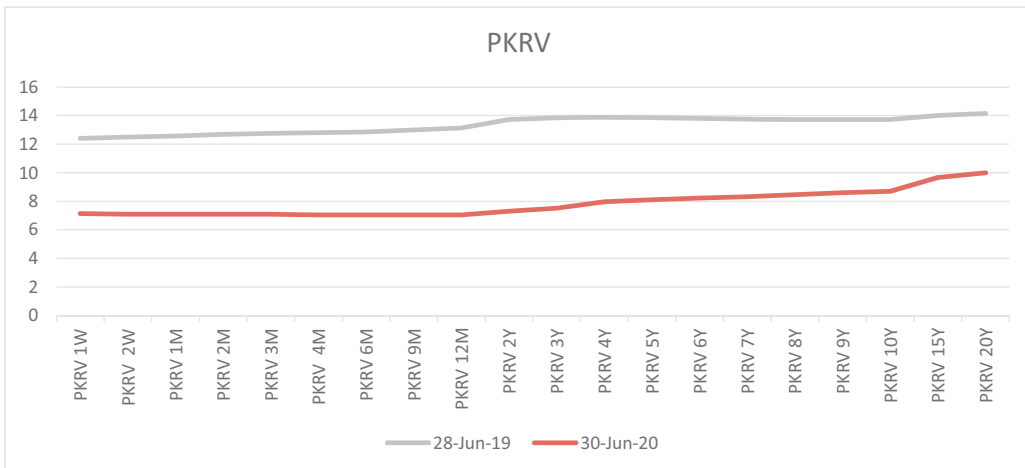


منی مارکیٹ

توقع ہے کہ مالی سال 20 کے دوران پاکستان کی جی ڈی پی میں 0.4 فیصد کی منفی نمو ہوگی۔ عالمی COVID-19 وبائی بیماری جس نے مالی سال 20 کی آخری سہ ماہی میں ملک میں اپنے قدم بہا لئے، جس نے ملک میں معاشی سرگرمیوں میں رکاوٹ پیدا کر دی۔ معاشی بدحالی کے عارضی مرحلے میں گھروں اور کاروباری اداروں کی مدد کے لئے لیکویڈیٹی سپورٹ فراہم کرنے کے لئے، اسٹیٹ بینک نے مستقل بنیادوں پر ڈسکانٹ شرح کو کم کر کے ایک جارحانہ اقدام اٹھایا۔ اب تک پالیسی شرح کو تقریباً 625bps تک کم کر کے 7 فیصد کر دیا گیا ہے۔

شرح میں جارحانہ کمی کے سبب پیداوار گراف تیزی سے نیچے کی طرف بڑھ گیا۔ مارکیٹ شرکاء نے طویل دورانیے کے آلات میں بھاری سرمایہ کاری کی۔ سال کے دوران، مرکزی بینک نے ٹی بلوں کے ذریعے 11.8 ٹریلین روپے کی سرمایہ کاری حاصل کی، جس میں زیادہ تر شرکت 6 ماہ اور 12 ماہ کی مدت میں ہوئی۔ مالی سال 19 میں، مرکزی بینک پی آئی بی کے ذریعے 800 ارب کے مقابلے زبرد جانزہ عرصے میں 2.02 ٹریلین روپے حاصل کرنے میں کامیاب رہا، جس میں زیادہ تر شرکت 3 سال اس کے بعد 5 سال اور 10 سال کی مدت میں دیکھی گئی۔

آگے بڑھتے ہوئے، ہمیں یقین ہے کہ مرکزی بینک نے ملک میں معاشی نمو کو بحال کرنے کے لئے بہت ضروری محرک فراہم کیا ہے۔ اب کاروباری سرگرمیوں میں دوبارہ بحالی کے ساتھ، آئندہ سال کے دوران معاشی متغیرات میں بتدریج بہتری آنا شروع ہو جائے گی۔



ڈائریکٹرز کی یونٹ ہولڈرز کو رپورٹ برائے مختتمہ سال 30 جون 2020

بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2020 کو ختم ہونے والے سال کے لئے میں الفلاح GHP انکم ملٹی پلائر فنڈ (AGIMF)، الفلاح GHP کیش فنڈ (AGCF)، الفلاح GHP اسلامک اسٹاک فنڈ (AGISTF)، الفلاح GHP الفانڈ (AGAF)، الفلاح GHP ویلیو فنڈ (AGVF)، الفلاح GHP سوریجن فنڈ (AGSOF)، الفلاح GHP انکم فنڈ (AGIF)، الفلاح GHP اسٹاک فنڈ (AGSTF)، الفلاح GHP منی مارکیٹ فنڈ (AGMMF)، الفلاح GHP اسلامک انکم فنڈ (AGIIF)، الفلاح GHP پراسپییریٹی پلاننگ فنڈ (AGPPF)، الفلاح GHP اسلامک پراسپییریٹی پلاننگ فنڈ (AGIPPF)، الفلاح GHP ڈیڈ ویلیو ایکیٹیٹی فنڈ (AGIDEF)، الفلاح GHP اسلامک ویلیو فنڈ، الفلاح کیپٹل پریزیرویشن II (AGCPF II)، سے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

معاشی جائزہ

مالی سال 20 میں پاکستان کو ویڈ 19 وبائی بیماری کے مضر اثرات سے دوچار ہوا، جس نے معاشی بحالی کو کشیدہ کر دیا۔ مارچ کے آخر میں سخت لاک ڈاؤن پالیسی نافذ کی گئی جس نے ملک بھر کی معاشی سرگرمیوں کو متاثر کیا۔ اس کے بعد، مئی میں کچھ پابندیاں ہٹانا شروع ہو گئیں، حکومت منتخب ہاٹ اسپاٹس کو صرف سیل کرنے کا حکم دیا جبکہ ایس او پی کے ساتھ باقی ملک میں معاشی سرگرمیاں بدستور جاری رہیں۔ یہ پالیسی کافی حد تک کامیاب رہی ہے، چونکہ جون کے آخر میں فعال کیلبر 105,000 کے مقابلے میں تقریباً 25,000 تک تیز ترین کمی واقع ہوئی ہے۔

پاکستان کے حالیہ اقتصادی سروے میں انکشاف کے مطابق حکومت موجودہ مالی سال کے جی ڈی پی میں 0.4 فیصد کمی کی توقع کر رہی ہے۔ آگے بڑھتے ہوئے، حکومت نے مالی سال 21 میں جی ڈی پی نمو کا ہدف 2.1 فیصد مقرر کیا ہے جبکہ آئی ایم ایف پیش گوئی کر رہا ہے کہ وبائی بیماری کے مسلسل اثرات کی وجہ سے نمو 1 فیصد تک محدود رہے گی۔ دریں اثنا، بڑے پیمانے کی مینوفیکچرنگ 11MFY20 میں دباؤ میں رہی جبکہ متعلقہ انڈیکس میں 10.3 فیصد تک سالانہ کمی واقع ہوئی۔ آٹوموبائل، دواسازی، پٹرولیم، آئرن اور اسٹیل کی مصنوعات کی کمی کے نتیجے میں زیادہ تر شعبوں میں طلب کی کمی دیکھی گئی۔ سال کے دوران زرمبادلہ کے ذخائر میں 3,489 ملین ڈالر کا اضافہ ہوا جو 26 جون 2020 تک 18 بلین امریکی ڈالر پر بند ہوا، اس کی بنیادی وجہ کثیرالجہتی آمدنی کی وصولی ہے۔ سال کے دوران امریکی ڈالر کے مقابلہ میں پاکستانی روپیہ کی قدر میں 5 فیصد کمی ہوئی، تاہم، کثیرالجہتی قرض دہندگان اداروں کی حالیہ مالی امداد کے باعث روپیہ کی قدر میں اضافہ ہونا چاہئے۔

کرنٹ اکاؤنٹ خسارہ مالی سال 20 کے لئے 3 بلین امریکی ڈالر ہا جو گذشتہ سال کی اسی مدت کے مقابلہ میں 77 فیصد کمی ہے۔ جولائی سے سعودی تیل کی سہولت کے آغاز کے ساتھ ساتھ سادگی کے اقدامات اور پاکستانی روپیہ کی قدر میں کمی کی وجہ سے بیرونی کھاتے کی صورت حال میں بہتری آئی۔ مالی سال 20 کے دوران برآمدات میں 7 فیصد سالانہ کمی واقع ہوئی ہے جس کی بنیادی وجہ مارچ میں اور اپریل کے مہینوں میں کورونا وائرس کے انفیکشن کی مقامی سطح پر منتقلی کو کم کرنے کے لئے سخت لاک ڈاؤن کا نفاذ اور ٹیکسٹائل آرڈرز کی منسوختی ہے۔ اسی طرح، طلب میں کمی اور تیل کی کم قیمتوں کے سبب درآمدات میں 18 فیصد سالانہ کمی واقع ہوئی ہے۔ مالی سال 20 کے لئے غیر ملکی ترسیلات زر میں 6 فیصد سالانہ اضافہ ہونا چاہئے، اس کے باوجود COVID-19 نے پوری دنیا میں تارکین وطن کی آمدنی کو نقصان پہنچایا۔

مالی سال 20 میں سی پی آئی 10.7 فیصد رہی جبکہ مالی سال 19 میں یہ 6.8 فیصد تھی جس کی بنیادی وجہ پٹرولیم اور کھانے کی اشیاء کی قیمتوں میں اضافہ ہے۔ ہمارے یقین ہے کہ طلب میں کمی اور اعلیٰ بنیاد اثر کی وجہ سے آئندہ مہینوں میں افراط زر کی سطحوں میں کمی آئے گی۔ گرتی ہوئی افراط زر کی پیش گوئی کی روشنی میں، اسٹیٹ بینک نے اقتصادی سست روی کو روکنے اور بروقت بحالی کے قابل بنانے کے لئے پالیسی شرح کو مزید 100bps کم کر کے 7 فیصد تک کر دی جس کی وجہ سے گذشتہ تین مہینوں میں مجموعی طور پر 625 بی پی ایس کی کمی واقع ہوئی۔

جون میں وفاقی بجٹ کا اعلان کیا گیا، جس میں بڑی حد تک پچھلی پالیسیوں کو برقرار رکھا گیا تھا۔ اگرچہ بجٹ میں کوئی نیا ٹیکس عائد نہیں کیا گیا، لیکن مختلف صنعتوں کو (خام مال پر معقول محصولات کے علاوہ) اہم مراعات فراہم نہ کرنا قابل ذکر ہے۔ مزید یہ کہ کیپٹل مارکیٹوں سے متعلق متعدد اسٹیٹک ہولڈرز کی تجاویز کو بھی نظر انداز کر دیا گیا۔

ایکیٹی مارکیٹ کا جائزہ

KSE-100 انڈیکس تمام مالی سال 20 میں دباؤ کا شکار رہا اور سال کے اختتام پر 1.53 فیصد کے معمولی مثبت ریٹرن ظاہر کر رہا ہے۔

بیچ مارک انڈیکس نے ستمبر 2019 کے مہینے سے عمدہ کارکردگی کا آغاز کیا اور جنوری 2020 تک مسلسل 5 ماہ کے لئے مثبت منافع درج کر لیا۔ مالی سال 19 کے اختتام سے 13 جنوری 2020 تک ریٹرن آئی ایم ایف پروگرام کے تحت معاشی بنیادی اصولوں کو بہتر بنانے کی بدولت 27 فیصد رہا۔ کیونکہ (a) درآمدات میں تیزی سے کمی، ترسیلات زر میں اضافہ اور خوشگوار برآمدات کی وجہ سے سی اے ڈی میں مسلسل بہتری آئی۔ (b) پاکستانی روپیہ کی قدر میں کمی اور (c) ٹریڈری بلوں اور بانڈز میں فنڈز کی نمایاں آمد کی وجہ سے ایف ایس کے ذخائر کی پوزیشن بہتر ہوئی کیونکہ کیری ٹریڈرانز بیٹنکنز کو حاصل افزا پالیسی شرح 13.25 فیصد تک پہنچ گئی۔

اس کارکردگی کو چھین اور اس کے بعد پوری دنیا میں کو ویڈ 19 کے پھیلاؤ نے متاثر کیا۔ ممالک نے سخت لاک ڈاؤن نافذ کرنا شروع کر دیا اور اچانک پوری تجارت رک گئی اور اس کے نتیجے میں عالمی اور مقامی ایکویٹیٹیز میں ہماری نقصان ہوا کیونکہ سرمایہ کا محفوظ مقام کی طرف بھاگ گئے۔ 72 دن کے عرصے میں KSE-100 انڈیکس میں 37 فیصد کمی ہوئی جو کہ 25 مارچ 2020 کو 27,228 پوائنٹس کی چلی سطح پر پہنچ گیا تھا۔

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







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-  FAQs Answered
-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



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*Mobile apps are also available for download for android and ios devices