

ALFALAH GHP STOCK FUND

ANNUAL REPORT 2016



Alfalah Investments

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FUND'S INFORMATION

Management Company:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Board of Directors of the Management Company:	-Ms. Maheen Rahman -Syed Ali Sultan -Mr. Michael HJ Buchen -Mr. Hanspeter Beier -Mr. Amin Dawood Saleh -Mr. Abid Naqvi -Mr. Tufail Jawed Ahmad
Chief Operating Officer, & Company Secretary:	- Mr. Noman Ahmed Soomro
Chief Financial Officer:	- Mr. Muhammad Shehzad Dhedhi
Audit Committee:	- Syed Ali Sultan - Mr. Abid Naqvi - Mr. Amin Dawood Saleh
HR Committee:	- Syed Ali Sultan - Mr. Michael HJ Buchen - Ms. Maheen Rahman
Trustee:	Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', SMCHS, Main Share-e-Faisal, Karachi
Fund Manager:	- Mr. Imran Altaf
Bankers to the Fund:	Bank Alfalah Limited
Auditors:	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi 75530 Pakistan
Legal Advisor:	Bawaney & Partners Room No. 404, 4th Floor Beaumont Plaza, 6-cl-10 Beaumont Road, Civil Lines Karachi.
Registrar:	Alfalsh GHP Investment Management Limited 8-B, 8th Floor, Executive Tower, Dolmen City, Block-4, Clifton, Karachi.
Distributor:	Bank Alfalah Limited
Rating:	4 Star (long term) and 5 Star (short term) by PACRA



MISSION STATEMENT

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

VISION STATEMENT

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

To our valued Unit Holders,

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

FY16 Economic Review

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

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

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

Equity Market:

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

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

Money Market:

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

Future Outlook

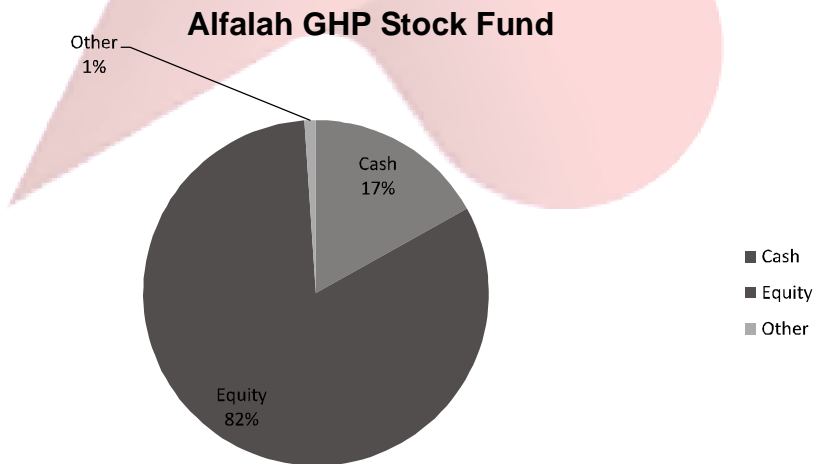
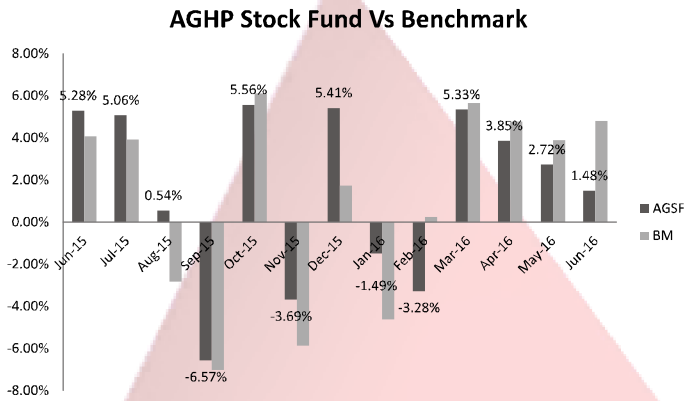
The stock market is expected to perform better in FY17 due to (i) Pakistan's equities' reclassification into MSCI's emerging market index, and (ii) announcement of Federal Budget for FY18 that is expected to be friendly towards the business and agricultural sectors as the Government gears up for the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

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

FUND PERFORMANCE AND REVIEW

During the year under review, your Fund generated a return of 14.88% against a benchmark (KSE – 100 Index) of 9.84% YTD and stood at the top position in its peer group ranking.

Performance of the fund remained strong through most of the year. The selective exposure in Cements and Electricity remained the key support whereas limited exposure to Banks and Energy initially also favored the fund. In the latter half the exposure to Oil & Gas sector was increased in order to benefit from the reversal in international oil prices which started rising after hitting below USD 30 for a very short period. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies, however, like previous year, the second and third tier stocks augmented the overall performance.



Key Financial Data
(Rupees in Million)

Description	For the year ended June 30 ,2016	For the year ended June 30 ,2015
Average Net Assets	1,620.739	1,171.125
Gross income	301.601	290.634
Total Comprehensive Income	176.774	280.366
Net Assets Value per Unit (PKR)	126.0747	116.609
Issuance of units during the period	3,205.873	1,920.815
Redemption of units during the period	3,016.838	1,298.169

Payout

At the end of the year under review, the fund paid out cash dividend of PKR. 0.5001 per unit and bonus of 7.2129 per unit.

Corporate Governance

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

- Financial Statement represents fairly the state of affairs of Alfalah GHP Stock Fund under management of Alfalah GHP Investment Management Limited, the results of their operations, cash flows and the changes in Unit-holders funds.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Alfalah GHP Stock Fund under management of Alfalah GHP Investment Management Limited's ability to continue as a going concern.
- Outstanding statutory payment on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
- There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- The summary of key financial data is given above in this Director Report.
- Details of meetings of the Board of Directors held and the attendance of each director for these meetings are given in note # (iv.) of supplementary non financial information of this annual report.
- The pattern of unit holding is given in note # (i.) of supplementary non financial information of this annual report.
- The number of units of the Fund held by the Chief Executive, directors, executives and their spouses as at June 30, 2016 as given in note # 20.1
- Summary of units acquired/ redeemed during the year by the Chief Executive, director, executives and their spouses during the year ended June 30, 2016 is given in note # 20.1;

Board of Directors

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

Mr. Abid Naqvi	Director	5	5	-
Mr. Asif Saad	Director	-	-	-
Syed Tariq Husain	Director	1	-	70th BOD
Mr. Tufail J. Ahmad	Director	2	2	

Change in Board Members during the year

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

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

Audit Committee Meetings

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

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

Acknowledgement

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

For and behalf of the Board

Chief Executive Officer
September 22, 2016

REPORT OF THE FUND MANAGER

Type of Fund: Open-end Scheme

Category of Fund: Conventional Stock Scheme

Investment Objective

The investment objective of Alfalsh GHP Stock Fund 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

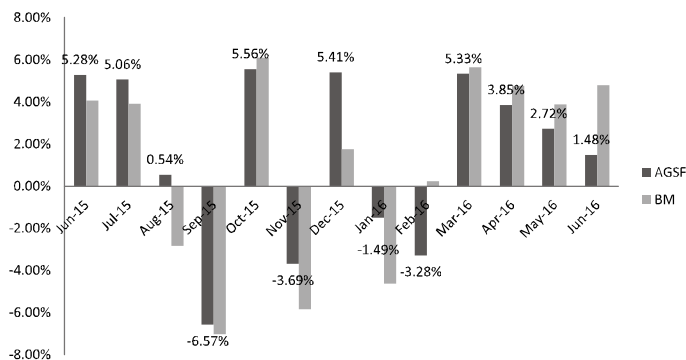
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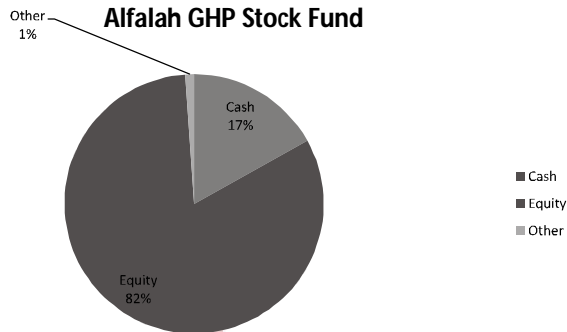
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Fund Performance

During the year under review, your Fund generated a return of 14.88% against a benchmark (KSE – 100 Index) of 9.84% YTD and stood at the top position in its peer group ranking. Performance of the fund remained strong through most of the year. The selective exposure in Cements and Electricity remained the key support whereas limited exposure to Banks and Energy initially also favored the fund. In the latter half the exposure to Oil & Gas sector was increased in order to benefit from the reversal in international oil prices which started rising after hitting below USD 30 for a very short period. The fund continued to maintain its basic philosophy of investing in fundamentally strong companies, however, like previous year, the second and third tier stocks augmented the overall performance.

AGHP Stock Fund Vs Benchmark





Future Outlook

Going forward, the Fund will maintain a high exposure in the market and continue to identify best stocks in key sectors. The healthy earnings growth, inclusion in MSCI EM index, increasing depth, rising investor confidence in policymakers' ability to deal with economic troubles and attractive valuations on regional comparison will bid well for equities in the long term. With these factors in play, the index will most likely see new highs during the new fiscal year.

Key Financial Data

(Rupees in Million)

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Payout

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

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S.M.C.H.S. Main Shahra-e-Faisal,
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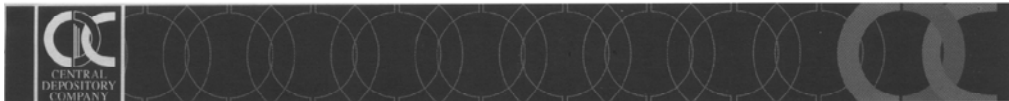
**TRUSTEE REPORT TO THE UNIT HOLDERS****ALFALAH GHP STOCK FUND****Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

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, 2016 in accordance with the provisions of the following:

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


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

Karachi: September 16, 2016



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

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

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

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

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



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

For and on behalf of the Board

Maheen Rahman
Chief Executive Officer



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

Tel: +9221 3565 0007-11
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ey.khi@pk.ey.com
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REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

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

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

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

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

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

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

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

EY

Chartered Accountants

Karachi

Date:



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

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
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INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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





: 2 :-

Opinion

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

Emphasis of matter

We draw attention to note 14.1 to the accompanying financial statements which explains the contingency with respect to the contribution for Workers' Welfare Fund amounting to Rs.8.729 million for which no provision has been made in these financial statements.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Chartered Accountants


Audit Engagement Partner: Shabbir Yunus

Date:

Karachi

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

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015
Assets			
Bank balances	5	264,413,236	13,544,072
Investments	6	1,286,834,148	1,151,790,278
Security deposits	7	2,600,000	2,600,000
Dividend, prepayments and other receivable	8	14,903,226	1,743,897
Receivable against sale of investments		-	39,025,216
Total assets		1,568,750,610	1,208,703,463
Liabilities			
Payable to the Management Company	9	23,564,933	10,394,729
Payable to the Trustee	10	548,958	163,237
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	11	1,539,988	985,607
Provision for Workers' Welfare Fund (WWF)	12	7,280,222	7,280,222
Accrued and other liabilities	13	7,974,920	6,301,351
Distribution payable		2,147	12,452,345
Total liabilities		40,911,168	37,577,491
Net assets attributable to unit holders		1,527,839,442	1,171,125,972
Unit holders' fund (as per the statement attached)		1,527,839,442	1,171,125,972
Contingencies and commitments	14	----- (Number of units) -----	
Number of units in issue		12,118,524	10,043,110
		----- (Rupees) -----	
Net asset value per unit		126.0747	116.6099

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015
Income			
Finance income	15	10,333,616	7,227,588
'At fair value through profit or loss' - held-for-trading			
- Net gain on sale of investments		93,705,810	41,174,358
- Net unrealised gain on revaluation of investments	6.2	119,595,761	202,897,896
- Dividend income from equity securities		77,966,227	39,334,269
		<u>291,267,798</u>	<u>283,406,523</u>
Total income		301,601,414	290,634,111
Expenses			
Remuneration of the Management Company	9.1	32,333,523	20,749,230
Sales tax on management fee		5,250,964	3,610,366
Federal excise duty on management fee	15	5,173,364	3,319,877
Remuneration of the Trustee		2,621,074	1,877,428
Sales tax on trustee fee		366,954	-
Annual fee to SECP		1,540,013	985,607
Brokerage expense and capital value tax		7,728,895	3,987,295
Bank and settlement charges		78,434	48,970
CDS charges		250,657	146,202
Auditors' remuneration	17	546,010	541,402
Fees and subscriptions		176,105	170,290
Clearing charges		485,690	355,925
Printing charges		173,117	150,574
Expenses allocated by the Management Company	9.2	972,443	-
Provision for Workers' Welfare Fund (WWF)	12	-	5,721,825
Total expenses		57,697,243	41,664,991
Net income from operating activities		243,904,171	248,969,120
Element of (loss) / income and capital (losses) / gains included in prices of units sold less those in units redeemed - net		(67,130,316)	31,397,000
Net income for the year before taxation		176,773,855	280,366,120
Taxation	19	-	-
Net income for the year after taxation		176,773,855	280,366,120

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

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

Chief Executive Officer

Director

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

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
Net income for the year after taxation	176,773,855	280,366,120
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>176,773,855</u>	<u>280,366,120</u>

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
Undistributed income brought forward:			
Realised losses		(84,026,501)	(53,328,818)
Unrealised gains		<u>202,897,896</u>	<u>32,590,255</u>
		118,871,395	(20,738,563)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		24,564,837	-
Total comprehensive income for the year		176,773,855	280,366,120
Issuance of 216,656 bonus units in respect of final and interim distribution (2015: Nil units)		(28,113,892)	-
Interim distribution of cash dividend @ Re.0.5001 per unit held, approved on June 29, 2016 (2015: Rs.14.4405)		(48,112,903)	(140,756,162)
		(76,226,795)	(140,756,162)
Undistributed income carried forward		<u>243,983,292</u>	<u>118,871,395</u>
Undistributed income carried forward:			
Realised gains / (losses)		124,387,531	(84,026,501)
Unrealised gains		119,595,761	202,897,896
		<u>243,983,292</u>	<u>118,871,395</u>

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

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

Chief Executive Officer

Director

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

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	-----
Net assets at beginning of the year	1,171,125,972	440,267,170
Amount realised on issuance of 25,630,701 units (2015: 17,168,532 units)	3,177,760,015	1,920,814,789
Issuance of 216,656 bonus units in respect of final and interim distribution (2015: Nil units)	28,113,892	-
Amount paid on redemption of 23,771,943 units (2015: 11,412,220 units)	(3,016,837,813)	(1,298,168,945)
	1,360,162,066	1,062,913,014
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	67,130,316	(31,397,000)
Total comprehensive (loss) / income for the year before capital gains - realised and unrealised	(36,527,716)	36,293,866
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	93,705,810	41,174,358
Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading	119,595,761	202,897,896
Total comprehensive income for the year	176,773,855	280,366,120
Issuance of 216,656 bonus units in respect of final and interim distribution (2015: Nil units)	(28,113,892)	-
Interim distribution of cash dividend @ Re.0.5001 per unit held, approved on June 29, 2016 (2015: Rs.14.4405)	(48,112,903)	(140,756,162)
	(76,226,795)	(140,756,162)
Net total comprehensive income less distributions for the year	100,547,060	139,609,958
Net assets at end of the year	1,527,839,442	1,171,125,972
[Net asset value: Rs.126.0747 per unit (2015: Rs.116.6099 per unit)]		

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

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

Chief Executive Officer

Director

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

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	176,773,855	280,366,120
Adjustments for:		
Net gain on sale of investments classified as 'at fair value through profit or loss' - held-for-trading	(93,705,810)	(41,174,358)
Net unrealised gain on investments classified as 'at fair value through profit or loss' - held-for-trading	(119,595,761)	(202,897,896)
Provision for Workers' Welfare Fund (WWF)	-	5,721,825
Element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed - net	67,130,316	(31,397,000)
	30,602,600	10,618,691
Decrease / (increase) in assets		
Investments - net	78,257,700	(508,312,879)
Receivable against sale of investments	39,025,216	13,996,124
Security deposits	-	5,227,500
Dividend, prepayments and other receivable	(13,159,329)	(994,702)
	104,123,587	(490,083,957)
Increase in liabilities		
Payable to the Management Company	13,170,204	7,351,590
Payable to the Trustee	385,721	63,445
Annual fee payable to SECP	554,381	517,841
Accrued and other liabilities	(1,777,894)	5,231,472
	12,332,412	13,164,348
Net cash generated from / (used in) operating activities	147,058,599	(466,300,918)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(58,917,092)	(167,532,012)
Amounts received on issuance of units	3,177,760,015	1,920,814,789
Payments made against redemption of units	(3,015,032,358)	(1,298,168,945)
Net cash generated from financing activities	103,810,565	455,113,832
Net increase / (decrease) in cash and cash equivalents during the year	250,869,164	(11,187,086)
Cash and cash equivalents at beginning of the year	13,544,072	24,731,158
Cash and cash equivalents at end of the year	264,413,236	13,544,072

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

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Alfalsh GHP Stock Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on June 06, 2008. It has been constituted under a Trust Deed, dated June 10, 2008 between IGI Funds Limited (Former Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

On October 15, 2013, the management rights of the Fund were transferred from IGI Funds Limited (Former Management Company) to Alfalsh 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 registered address of the Management Company is situated at 8th Floor, Executive Tower, Dolmen Mall, Block-4, Clifton, Karachi.

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 Alfalsh GHP Stock Fund.

The Fund is an open ended equity scheme and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited). The Fund was launched on July 15, 2008.

The Fund seeks to generate 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 corpus in debt and money market securities in order to meet liquidity requirements from time to time.

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 'AM2'(Outlook: Stable) to the Management Company in its rating report dated June 08, 2016 and 5 Star (ST) and 4 Star (LT) to the fund in its rating report dated June 29, 2016.

2. STATEMENT OF COMPLIANCE

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

3. BASIS OF MEASUREMENT

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

3.2 The financial statements are presented in Pak rupees, which is the Fund's functional and presentation currency.

3.3 Accounting estimates and judgments

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

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 4.2 and 4.3.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described in note 4.1 below.

4.1 New and amended standards and interpretations

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

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement

The adoption of the above accounting standards did not have any effect on the financial statements, except for IFRS 13, which requires certain additional disclosure (see note 21.5).

4.2 Financial instruments

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

a) Financial instruments at fair value through profit or loss

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

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

b) Available-for-sale

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

c) Loans and receivables

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

d) Financial liabilities

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

Recognition

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

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

Recognition

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

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

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

Measurement

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

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

Fair value measurement principles

Basis of valuation of Quoted Equity Securities

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

Basis of valuation of Sukuk Certificates

- The Government securities are revalued at their fair values (determined by reference to the quotations obtained from the PKRV and PKISRV Reuters rate circulated by Mutual Funds Association of Pakistan), based on the remaining tenure of the security.
- Provision against non performing debt securities is made in accordance with the provisioning criteria prescribed by the SECP and the Fund's provisioning criteria. These are elaborated in note 4.3 to these financial statements.

4.3 Impairment

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

Impairment of debt securities held by the Fund is determined on the basis of repayment passed due from its contractual maturity. Such provisions are made as per criteria specified in Circular 33 of 2012. Accelerated provisions are made if circumstances warrant, as per the provisioning policy approved by the Board of the Management Company.

However, impairment loss on debt securities classified as 'available-for-sale' is recognised in income statement. The reversal of impairment of debt security reclassified as performing by MUFAP in terms of Circular 33 of 2012 is made to the extent of increased price difference between amount recorded in books prior to reclassification as performing and price announced by MUFAP on reclassification.

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

4.4 Derecognition

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

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

4.5 Unit holders' fund

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

4.6 Issue and redemption of units

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

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

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

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

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

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

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

Since the element is an equalisation account between income for the period and undistributed income, the change did not have any impact on Net Asset Value (NAV) of the Fund. Had the methodology not been changed, the net income for the year ended June 30, 2016 would have been higher by Rs.14.153 million.

4.8 Provisions

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

4.9 Net asset value per unit

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

4.10 Earnings per unit

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

4.11 Taxation

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

4.12 Offsetting of financial instruments

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

4.13 Revenue recognition

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

4.14 Expenses

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

4.15 Cash and cash equivalents

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

4.16 Dividend distribution and appropriations

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

Distributions declared including the bonus units are recorded in the period in which they are approved. Regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders.

4.17 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

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

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017

Standard, interpretation or amendment	Effective date (accounting periods beginning on or after)
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment IAS 41 Agriculture – Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

In addition to the standards issued by the IASB in or after January 01, 2016. The Fund expects that such improvements to the standards will not have any material impact on the Fund's financial statements in the period of initial application.

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

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

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015 -----
5. BANK BALANCES			
Deposit accounts	5.1	<u>264,413,236</u>	<u>13,544,072</u>

5.1 These represent balances in deposit accounts maintained with banks carrying profit rates ranging from 5.00% to 6.7% (2015: 6.25% to 9.25%) per annum. This includes Rs.133.742 million (2015: Rs.85.634 million) placed with Bank Alfalah Limited (a related party).

6. INVESTMENTS

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

Equity securities - quoted	6.1	<u>1,286,834,148</u>	<u>1,151,790,278</u>
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6.1 Equity securities - quoted - 'at fair value through profit or loss' - held-for-trading

Name of the investee company	As at July 01, 2015	Purchased during the year	Bonus / rights issue during the year	Sold during the year	As at June 30, 2016	Carrying Value June 30, 2016	Market value as at June 30, 2016	Market value as a percentage of:		Par value as percentage of issued share capital
								Net assets	Total investments	
	----- (Number of shares)-----				----- (Rupees) -----		----- (%) -----			
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Commercial banks										
Allied Bank Limited	-	455,500	-	455,500	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited (a related party)	4,500	2,451,000	-	2,154,500	301,000	7,565,740	7,696,570	0.50%	0.60%	0.02%
Bank AL Habib Limited	-	876,500	-	876,500	-	-	-	0.00%	0.00%	0.00%
Bank of Punjab	1,500	-	-	1,500	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	53	650,500	-	509,753	140,800	26,877,397	27,816,448	1.82%	2.16%	0.01%
Habib Metropolitan Bank Limited	-	770,132	-	770,132	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited	-	520,200	-	454,500	65,700	15,074,279	14,455,314	0.95%	1.12%	0.01%
United Bank Limited	-	573,000	-	416,000	157,000	25,579,296	27,776,440	1.82%	2.16%	0.01%
					<u>664,500</u>	<u>75,096,712</u>	<u>77,744,772</u>	<u>5.09%</u>	<u>6.04%</u>	<u>0.05%</u>
Power generation and distribution										
Hub Power Company Limited	902,500	712,500	-	493,000	1,122,000	113,118,759	134,707,320	8.82%	10.47%	0.10%
Kot Addu Power Company Limited	1,076,000	812,500	-	1,154,700	733,800	60,976,175	65,491,650	4.29%	5.09%	0.08%
Lalpir Power Limited	-	1,609,000	-	1,609,000	-	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	-	1,681,500	-	1,681,500	-	-	-	0.00%	0.00%	0.00%
Nishat Chunian Power Limited	426,000	-	-	426,000	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	482,500	-	-	482,500	-	-	-	0.00%	0.00%	0.00%
					<u>1,855,800</u>	<u>174,094,934</u>	<u>200,198,970</u>	<u>13.11%</u>	<u>15.56%</u>	<u>0.18</u>

Name of the investee company	As at July 01, 2015	Purchased during the year	Bonus / rights issue during the year	Sold during the year	As at June 30, 2016	Carrying Value June 30, 2016	Market value as at June 30, 2016	Market value as a percentage of:		Par value as percentage of issued share capital
	----- (Number of shares)-----				----- (Rupees) -----			Net assets	Total investments	(%) -----
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Oil and gas marketing companies										
Hascol Petroleum Limited	305,250	228,200	62,730	563,300	32,880	4,272,284	6,423,766	0.42%	0.50%	0.08%
Pakistan State Oil Company Limited	66,900	362,500	-	307,400	122,000	45,157,491	45,806,120	3.00%	3.56%	0.04%
					154,880	49,429,775	52,229,886	3.42%	4.06%	0.07%
Refinery										
Attock Refinery Limited	85,500	129,000	-	91,500	123,000	32,214,656	34,457,220	2.26%	2.68%	0.14%
National Refinery Limited	141,900	331,500	-	336,400	137,000	45,318,178	65,129,800	4.26%	5.06%	0.17%
					260,000	77,532,834	99,587,020	6.52%	7.74%	0.31%
Oil and gas exploration companies										
Mari Petroleum Company Limited	-	222,600	-	167,000	55,600	34,812,405	50,497,032	3.31%	3.92%	0.05%
Oil and Gas Development Company Limited	-	1,871,700	-	1,152,000	719,700	93,473,543	99,368,979	6.50%	7.72%	0.02%
Pakistan Oilfields Limited	6,000	313,300	-	165,500	153,800	43,943,653	53,442,424	3.50%	4.15%	0.07%
Pakistan Petroleum Limited	-	413,500	-	73,000	340,500	49,816,601	52,794,525	3.46%	4.10%	0.02%
					1,269,600	222,046,202	256,102,960	16.77%	19.89%	0.16%
Chemicals										
Biafo Industries Limited	-	54,100	-	24,700	29,400	7,100,505	7,644,000	0.50%	0.59%	0.15%
Engro Corporation Limited	257,000	501,000	-	559,000	199,000	66,771,468	66,261,030	4.34%	5.15%	0.04%
Fatima Fertilizer Company Limited	889,000	695,500	-	1,584,500	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	818,000	-	818,000	-	-	-	0.00%	0.00%	0.00%
ICI Pakistan Limited	100,800	-	-	100,800	-	-	-	0.00%	0.00%	0.00%
					228,400	73,871,973	73,905,030	4.84%	5.74%	0.19%
Cement										
Attock Cement (Pakistan) Limited	14,100	-	-	14,100	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Limited	-	676,000	-	676,000	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	521,500	685,400	-	1,143,100	63,800	9,862,687	12,153,262	0.80%	0.94%	0.01%
Fauji Cement Company Limited	893,000	656,000	-	1,426,000	123,000	5,421,123	4,403,400	0.29%	0.34%	0.01%
Fecto Cement Limited	437,500	467,500	-	777,500	127,500	10,199,483	14,726,250	0.96%	1.14%	0.25%
Kohat Cement Limited	201,200	429,100	-	335,700	294,600	69,124,484	77,161,632	5.05%	6.00%	0.19%
Lafarge Pakistan Cement Limited	400,000	-	-	400,000	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	124,246	252,000	-	285,146	91,100	56,348,408	59,079,261	3.87%	4.59%	0.03%
Maple Leaf Cement Factory Limited	888,500	432,500	-	1,321,000	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	-	1,259,500	-	806,000	453,500	42,918,647	48,705,900	3.19%	3.78%	0.20%
					1,153,500	193,874,832	216,229,705	14.16%	16.79%	0.69%
Fertilizer										
Engro Fertilizers Limited	1,050,500	1,467,000	-	1,797,500	720,000	50,377,776	46,425,600	3.04%	3.61%	0.05%
Fauji Fertilizer Company Limited	100,000	100,000	-	200,000	-	-	-	0.00%	0.00%	0.00%
					720,000	50,377,776	46,425,600	3.04%	3.61%	0.05%
Engineering										
Crescent Steel & Allied Products Limited	-	549,750	-	144,500	405,250	45,416,054	46,445,703	3.04%	3.61%	0.52%
Crescent Steel & Allied Products Limited - LoR	-	88,750	-	88,750	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	-	525,000	-	525,000	-	-	-	0.00%	0.00%	0.00%
Amreli Steel Limited	-	344,000	-	232,000	112,000	6,431,217	5,266,240	0.34%	0.41%	0.04%
					517,250	51,847,271	51,711,943	3.38%	4.02%	0.56%
Food and personal care products										
Engro Foods Limited	274,000	10,000	-	284,000	-	-	-	0.00%	0.00%	0.00%
Al Shaheer Corporation Limited	-	544,500	-	463,500	81,000	4,313,102	4,229,010	0.28%	0.33%	0.07%
					81,000	4,313,102	4,229,010	0.28%	0.33%	0.07%

Name of the investee company	As at July 01, 2015	Purchased during the year	Bonus / rights issue during the year	Sold during the year	As at June 30, 2016	Carrying Value June 30, 2016	Market value as at June 30, 2016	Market value as a percentage of:		Par value as percentage of issued share capital
	----- (Number of shares)-----				----- (Rupees) -----			Net assets	Total investments	(%)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Textile composite										
Gul Ahmed Textile Mills Limited	69,250	806	-	65,000	5,056	222,568	182,977	0.01%	0.01%	0.00%
Gul Ahmed Textile Mills Limited - LoR	-	806	-	806	-	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	-	1,000,000	-	514,000	486,000	56,718,069	52,439,400	3.43%	4.08%	0.14%
					491,056	56,940,637	52,622,377	3.44%	4.09%	0.14%
Pharmaceuticals										
Ferozsons Laboratories Limited	-	65,350	-	44,350	21,000	20,837,540	21,649,740	1.42%	1.68%	0.07%
Hignoon Laboratories Limited	-	32,700	-	17,500	15,200	8,261,130	8,761,280	0.57%	0.68%	0.07%
The Searle Company Limited	8,380	188,938	40,707	185,084	52,941	17,701,293	28,384,317	1.86%	2.21%	0.04%
The Searle Company Limited - LoR	-	14,038	-	14,038	-	-	-	0.00%	0.00%	0.00%
					89,141	46,799,963	58,795,337	3.85%	4.57%	0.18%
Automobile assembler										
Honda Atlas Cars (Pakistan) Limited	-	192,800	-	192,800	-	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	-	27,400	-	27,400	-	-	-	0.00%	0.00%	0.00%
Pak Suzuki Motor Company Limited	87,800	65,100	-	122,900	30,000	11,355,300	11,464,500	0.75%	0.89%	0.04%
					30,000	11,355,300	11,464,500	0.75%	0.89%	0.04%
Technology and communication										
Hum Network Limited (Face value of Rs.1 each)	1,000,000	1,100,000	-	2,100,000	-	-	-	0.00%	0.00%	0.00%
Systems Limited	47,000	1,116,000	-	1,163,000	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	0.00%
Paper and board										
Packages Limited	45,000	100,000	-	44,000	101,000	55,022,877	64,258,220	4.21%	4.99%	0.11%
					101,000	55,022,877	64,258,220	4.21%	4.99%	0.11%
Cable and electrical goods										
Pak Elektron Limited	1,102,000	360,500	-	1,369,000	93,500	6,986,974	6,044,775	0.40%	0.47%	0.02%
Pak Elektron Limited - LoR	-	210,500	-	210,500	-	-	-	0.00%	0.00%	0.00%
					93,500	6,986,974	6,044,775	0.40%	0.47%	0.02%
Non-life insurance										
Adamjee Insurance Company Limited	-	833,500	-	794,000	39,500	2,200,300	1,981,320	0.13%	0.15%	0.01%
IGI Insurance Limited	-	218,600	-	152,000	66,600	14,852,979	12,708,612	0.83%	0.99%	0.05%
					106,100	17,053,279	14,689,932	0.96%	1.14%	0.06%
Sugar and allied industries										
Faran Sugar Mills Limited	-	12,000	-	6,500	5,500	593,835	594,000	0.04%	0.05%	0.02%
					5,500	593,835	594,000	0.04%	0.05%	0.02%
As at June 30, 2016	12,009,379	31,142,000	103,437	35,370,859	7,883,957	1,167,238,276	1,286,834,037			
As at June 30, 2015	4,894,158	25,396,933	-	18,281,712	12,009,379	948,892,382	1,151,790,278			

6.1.1 The investment in equity securities include bonus shares having market value of Rs.2.770 million withheld by the investee companies during the period as issuance of bonus shares has been made taxable through Finance Act, 2014. Consequently, bonus shares equivalent to 5 percent (representing tax impact of the bonus announcement) have been withheld by the investee companies.

The management of the Fund jointly with other asset management companies and Mutual Funds Association of Pakistan, has filed a petition in Honorable Sindh High Court to declare the amendments brought in the Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second Schedule to the Income Tax Ordinance, 2001. The Honorable Sindh High Court has granted stay order till the final outcome of the case.

6.1.2 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin:

	June 30, 2016	June 30, 2015
Note	----- (Number of shares) -----	
Kot Addu Power Company Limited	150,000	150,000
Lucky Cement Limited	-	40,000
Hub Power Company Limited	<u>500,000</u>	<u>280,000</u>
	<u>650,000</u>	<u>470,000</u>

6.2 Net unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - held-for-trading

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
Market value of investments	1,286,834,037	1,151,790,278
Less: Carrying value of investments	(1,167,238,276)	(948,892,382)
Unrealised gain on revaluation of investments for the year	<u>119,595,761</u>	<u>202,897,896</u>

6.3 Market Treasury Bills classified as 'at fair value through profit or loss' - held-for-trading

	Face value				Balance as at June 30, 2016			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2015	Purchased during the year	Sold / matured during the year	Matured during the year	As at June 30, 2016	Carrying Value June 30, 2016	Market value as at June 30, 2016		
	----- (No. of certificates) -----				----- (Rupees) -----			----- (%) -----	
Market Treasury Bills - 3 months	-	130,000,000	-	130,000,000	-	-	-	-	-
Total as at June 30, 2016	<u>-</u>	<u>130,000,000</u>	<u>-</u>	<u>130,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at June 30, 2015	<u>-</u>	<u>140,000,000</u>	<u>140,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

7. SECURITY DEPOSITS

Security deposits with:

- National Clearing Company Pakistan Limited (NCCPL)	2,500,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)	100,000	100,000
	<u>2,600,000</u>	<u>2,600,000</u>

8. DIVIDEND, PREPAYMENTS AND OTHER RECEIVABLE

Dividend receivable	13,779,711	943,000
Mark-up receivable on bank deposits	1,118,732	800,897
Prepaid annual listing fee	4,783	-
	<u>14,903,226</u>	<u>1,743,897</u>

	Note	June 30, 2016 ----- (Rupees) -----	June 30, 2015 -----
9. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable	9.1	3,260,186	1,855,830
Sales tax on management fee		1,888,008	874,476
Federal excise duty on management fee	16	10,130,262	5,455,446
Expenses allocated by the Management Company	9.2	832,326	-
Sales load payable		7,454,151	2,208,977
		<u>23,564,933</u>	<u>10,394,729</u>

9.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund is entitled to remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. The Management Company has charged remuneration at the rate of 2% (2015: 2%) p.a. for the current period.

9.2 This represents the amount payable to the Management Company under NBFC Regulation 60(3)(s), wherein the Management Company is allowed to charge their cost to Collective Investment Schemes (CIS) in respect of fees and expenses related to registrar, accounting, and other services related to CIS. The maximum cost that can be charged in this regard is up to 0.1% of the average annual net assets of that CIS or actual, whichever is less.

10. PAYABLE TO THE TRUSTEE

Trustee fee	10.1	478,025	163,237
Sales tax on trustee fee		70,933	-
		<u>548,958</u>	<u>163,237</u>

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

Average net asset value	Tariff per annum
Up to Rs.1 billion	Rs.0.7 million or 0.20% p.a. of net assets whichever is higher.
Over Rs.1 billion	Rs.2.0 million plus 0.10% p.a. of net assets exceeding Rs.1 billion.

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

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount equal to 0.095% (2015: 0.095%) of the average daily net assets of the Fund.

12. PROVISION FOR WORKERS' WELFARE FUND (WWF)

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

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

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

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

As a matter of abundant caution, with effect from July 01, 2013, the Fund has started making provision in respect of contribution to WWF prospectively. Accordingly, the management has made provision for WWF amounting to Rs.7.280 million uptill June 30, 2015 (2015: Rs.7.280 million) in these financial statements. Had the provision not been made, the net asset value per unit of the Fund would have been higher by Re.0.601 (0.48%) per unit (2015: Re.0.72 (0.62%) per unit) (see note 14.1).

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

13. ACCRUED AND OTHER LIABILITIES	Note	June 30, 2016	June 30, 2015
		-----	-----
		----- (Rupees) -----	
Brokerage expense		2,559,833	748,322
Auditors' remuneration		405,412	400,071
Annual rating fee		261,928	121,180
Clearing charges		179,705	11,561
Printing charges		123,816	107,305
Capital gains tax		1,863,257	157,081
Sales load		410,052	93,092
Withholding tax		2,170,917	4,662,739
		<u>7,974,920</u>	<u>6,301,351</u>

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

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount equal to 0.095% (2015: 0.095%) of the average daily net assets of the Fund.

12. PROVISION FOR WORKERS' WELFARE FUND (WWF)

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

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

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

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

As a matter of abundant caution, with effect from July 01, 2013, the Fund has started making provision in respect of contribution to WWF prospectively. Accordingly, the management has made provision for WWF amounting to Rs.7.280 million uptill June 30, 2015 (2015: Rs.7.280 million) in these financial statements. Had the provision not been made, the net asset value per unit of the Fund would have been higher by Re.0.601 (0.48%) per unit (2015: Re.0.72 (0.62%) per unit) (see note 14.1).

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

14. CONTINGENCIES AND COMMITMENTS
14.1 Contingencies

As disclosed in note 12, the Fund commenced making provision in respect of WWF with effect from July 01, 2013. The aggregate unrecognised amount of WWF upto June 30, 2013 amounted to Rs.8.729 million.

14.2 Commitments

There were no commitments outstanding as at June 30, 2016.

15. FINANCE INCOME

Interest income on:

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

- Market Treasury Bills

Others

- Bank deposits

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
	58,760	93,626
	10,274,856	7,133,962
	10,333,616	7,227,588

16. FEDERAL EXCISE DUTY ON MANAGEMENT FEE

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

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

Subsequent to the year end, the Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. The management is however of the view that since the Federal government still has the right to appeal against the order, the previous balance of FED cannot be reversed.

The Management Company, in view of the pending decision and as a matter of abundant caution has made a provision for FED in the books of accounts of the Fund with effect from June 13, 2013 to June 30, 2016 aggregating to Rs.10.130 million (2015: Rs.5.455 million).

	Note	June 30, 2016	June 30, 2015
		----- (Rupees) -----	
17. AUDITORS' REMUNERATION			
Audit fee		284,592	284,592
Review and other certifications		176,176	176,176
		460,768	460,768
Sales tax		27,646	23,038
Out of pocket expenses		57,596	57,596
		546,010	541,402
18. CASH AND CASH EQUIVALENTS			
Bank balances		264,413,236	13,544,072

19. TAXATION

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

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

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

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

20.1 Unit Holders' Fund

June 30, 2016										
As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at June 30, 2016	As at July 01, 2015	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2016	
(Units)				(Rupees)						
Associated companies / undertakings										
Alfalsh GHP Capital Preservation Fund *	2,644,886	2,341,160	307,252	2,684,495	2,608,803	308,419,795	295,152,598	37,873,548	317,652,598	328,904,056
Alfalsh Insurance Company Limited	-	1,143,904	39,345	523,836	659,413	-	152,642,902	4,849,974	74,996,856	83,135,296
Alfalsh GHP Prosperity Planning Fund	-	1,819,793	19,987	1,075,186	764,594	-	231,041,743	2,463,754	145,182,465	96,395,959
Key management personnel										
Employees										
Head of Marketing	6,096	5,825	-	11,921	-	710,935	722,401	-	1,498,436	-
Chief Executive Officer	8,895	8,364	949	2,299	15,909	1,037,288	1,032,001	117,014	335,858	2,005,722
Chief Operating Officer & Company Secretary	890	1,098	69	894	1,163	103,729	154,800	8,560	113,131	146,625
Head of Finance	-	6,118	386	24	6,480	-	804,961	47,666	27,550	816,964
June 30, 2015										
As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	As at June 30, 2015	As at July 01, 2014	Issued for cash / conversion in / transfer in	Bonus	Redeemed / conversion out / transfer out	Net asset value as at June 30, 2015	
(Units)				(Rupees)						
Associated companies / undertakings										
Alfalsh GHP Capital Preservation Fund *	-	5,164,215	293,331	2,812,660	2,644,886	-	228,000,000	33,957,620	166,123,768	308,419,795
Key management personnel										
Employees										
Head of Marketing	-	5,709	387	-	6,096	-	687,777	44,847	-	710,935
Chief Executive Officer	-	8,020	875	-	8,895	-	1,000,000	101,336	-	1,037,288
Chief Operating Officer & Company Secretary	-	802	88	-	890	-	100,000	10,134	-	103,729
Head of Operations	452	524	-	975	1	46,383	59,775	-	114,140	117
VP- Head of Wealth Management	-	4,039	-	4,039	-	-	500,000	-	482,982	-

* This unit holder also hold more than 10% units in the fund.

20.2 Other transactions
Associated companies / undertakings

June 30, June 30,
2016 2015
----- (Rupees) -----

**Alfalsh GHP Investment Management Limited
Management Company**

Remuneration of the Management Company	<u>32,333,523</u>	<u>20,749,230</u>
Sales tax on management fee	<u>5,250,964</u>	<u>3,610,366</u>
Federal excise duty on management fee	<u>5,173,364</u>	<u>3,319,877</u>
Expenses allocated by the Management Company	<u>972,443</u>	<u>-</u>

Bank Alfalsh Limited

Profit on bank deposits	<u>2,414,213</u>	<u>106,387</u>
Bank charges	<u>72,389</u>	<u>32,053</u>

Alfalsh GHP Cash Fund

Market Treasury bills - purchased	<u>-</u>	<u>39,845,240</u>
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Alfalsh GHP Sovereign Fund

Market Treasury bills - purchased	<u>-</u>	<u>44,825,895</u>
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Alfalsh GHP Money Market Fund

Market Treasury bills - purchased	<u>-</u>	<u>54,787,205</u>
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Other related parties
**Central Depository Company of
Pakistan Limited - Trustee**

Remuneration of the Trustee	<u>2,621,074</u>	<u>1,877,428</u>
Sales tax on trustee fee	<u>366,954</u>	<u>-</u>
CDS charges	<u>250,657</u>	<u>146,202</u>

20.3 Other balances
Associated companies / undertakings

June 30, June 30,
2016 2015
----- (Rupees) -----

**Alfalsh GHP Investment Management Limited -
Management Company**

Remuneration payable to the Management Company
Sales tax payable on management fee
Federal excise duty payable on management fee
Expenses allocated by the management company
Sales load payable

<u>3,260,186</u>	<u>1,855,830</u>
<u>1,888,008</u>	<u>874,476</u>
<u>10,130,262</u>	<u>5,455,446</u>
<u>832,326</u>	<u>-</u>
<u>7,454,151</u>	<u>2,208,977</u>

Bank Alfalsh Limited

Bank balance

<u>133,742,367</u>	<u>85,634,386</u>
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Other related parties
**Central Depository Company of
Pakistan Limited - (Trustee of the Fund)**

Remuneration payable to the Trustee
Sales tax on Trustee fee
Security deposit

<u>478,025</u>	<u>163,237</u>
<u>70,933</u>	<u>-</u>
<u>100,000</u>	<u>100,000</u>

21. FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

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

The Fund primarily invests in equity securities. Such investments are subject to varying degrees of risk.

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

21.1 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. The Fund is exposed to credit risk on bank balances, security deposits and other receivables. There is a possibility of default by participants, the depositories, the settlements or clearing system, etc.

Exposure to credit risk

The table below analyse the Fund's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements at reporting date:

	Carrying amount	
	June 30, 2016	June 30, 2015
	----- (Rupees) -----	
Bank balances	264,413,236	13,544,072
Dividend, prepayments and other receivable	14,903,226	1,743,897
	<u>279,316,462</u>	<u>15,287,969</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.

	Rating	June 30, 2016	June 30, 2015
		----- (%) -----	
Bank balances by category wise			
A1+ / AA+		49.60%	42.87%
A1+ / AA		50.40%	57.11%
A1+ / AAA		0.00%	0.02%
		<u>100.00%</u>	<u>100.00%</u>

As at June 30, 2016

Rating	Amount of credit exposure	% of HTM Investments	Amount of credit exposure	% of HTM Investments
	----- (Rupees) -----			
AA+ / A1+	200,071,232	62%	326,266,200	39%
A1+/AA	125,242,979	38%	500,098,637	61%
	<u>325,314,211</u>	<u>100%</u>	<u>826,364,837</u>	<u>100%</u>

Credit quality of held-for-trading investments

Investments in listed equity securities are not exposed to credit risk.

Credit quality of interest receivable on bank deposits and other assets

Interest income receivable on bank deposits and other receivables was received subsequent to the year end.

Credit quality of deposits maintained with CDC and NCCPL

All deposits with CDC and NCCPL are highly rated and risk of default is considered minimal.

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at June 30, 2016 and June 30, 2015.

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. 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.

21.2 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the unit holders' option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive documents.

Management of liquidity risk

The Fund's policy is to manage this risk by investing in deposit accounts, short term money market placements or in investments that are traded in an active market and can be readily disposed. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount approximate to their fair value to meet its liquidity requirements.

The Fund has the ability to borrow, with prior approval of Trustee, for meeting redemption. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings.

Maturity analysis for financial liabilities

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

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

	As at June 30, 2016			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	----- (Rupees) -----			
Financial liabilities				
Payable to the Management Company	11,546,663	11,546,663	-	-
Payable to the Trustee	478,025	478,025	-	-
Accrued and other liabilities	3,913,100	2,739,538	1,173,562	-
Distribution payable	2,147	2,147	-	-
	<u>15,939,935</u>	<u>14,766,373</u>	<u>1,173,562</u>	<u>-</u>
	June 30, 2015			
	Carrying amount	Upto one month	More than one month and upto three months	More than three months and upto one year
	----- (Rupees) -----			
Financial liabilities				
Payable to the Management Company	4,064,807	4,064,807	-	-
Payable to the Trustee	163,237	163,237	-	-
Accrued and other liabilities	1,458,493	759,883	698,610	-
Distribution payable	12,452,345	12,452,345	-	-
	<u>18,138,882</u>	<u>17,440,272</u>	<u>698,610</u>	<u>-</u>

Above financial liabilities do not carry any mark-up.

21.3 Market risk

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

Management of market risk

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

Currency risk

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

Interest rate risk

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

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

June 30, 2016						
Exposed to yield / interest rate risk						
Yield / Effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total	
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.00 - 6.7	264,413,236	-	-	-	264,413,236
Investments		-	-	-	1,286,834,148	1,286,834,148
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivable	5.00 - 6.7	-	-	-	14,898,443	14,898,443
		<u>264,413,236</u>	<u>-</u>	<u>-</u>	<u>1,304,332,591</u>	<u>1,568,745,827</u>
Financial liabilities						
Payable to the Management Company		-	-	-	11,546,663	11,546,663
Payable to the Trustee		-	-	-	478,025	478,025
Accrued and other liabilities		-	-	-	3,913,100	3,913,100
Distribution payable		-	-	-	2,147	2,147
		<u>-</u>	<u>-</u>	<u>-</u>	<u>15,939,935</u>	<u>15,939,935</u>
On-balance sheet gap		<u><u>264,413,236</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,288,392,656</u></u>	<u><u>1,552,805,892</u></u>

June 30, 2015

	Yield / Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.00 - 7.00	13,544,072	-	-	-	13,544,072
Investments		-	-	-	1,151,790,278	1,151,790,278
Security deposits		-	-	-	2,600,000	2,600,000
Dividend and other receivable	6.00 - 7.00	-	-	-	1,743,897	1,743,897
Receivable against sale of investments		-	-	-	39,025,216	39,025,216
		<u>13,544,072</u>	<u>-</u>	<u>-</u>	<u>1,195,159,391</u>	<u>1,208,703,463</u>
Financial liabilities						
Payable to the Management Company		-	-	-	4,064,807	4,064,807
Payable to the Trustee		-	-	-	163,237	163,237
Accrued and other liabilities		-	-	-	1,458,493	1,458,493
Distribution payable		-	-	-	12,452,345	12,452,345
		<u>-</u>	<u>-</u>	<u>-</u>	<u>18,138,882</u>	<u>18,138,882</u>
On-balance sheet gap		<u>13,544,072</u>	<u>-</u>	<u>-</u>	<u>1,177,020,509</u>	<u>1,190,564,581</u>
June 30, 2016						
----- (Rupees) -----						
Variable rate instruments						
Bank balances					<u>264,413,236</u>	<u>13,544,072</u>

Sensitivity analysis for fixed rate instruments

In case of 100 basis points increase / decrease in interest rate on year end, the net assets attributable to unit holders of the Fund and net income for the year would be lower / higher by Rs.2.64 million (2015: Rs.0.14 million). This analysis assumes that all other variables remain constant.

Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instrument as at June 30, 2016 which expose the Fund to fair value profit rate risk (2015: Nil).

Equity price risk

Equity price risk is the risk of changes in the fair value of equity securities as the result of changes in the levels of KSE-100 Index and the value of individual shares. The equity price risk exposure arises from the Fund's investments in equity securities. This arises from investments held by the Fund for which prices in the future are uncertain. The Fund policy is to manage price risk through diversification and selection of securities within specified limits set by internal risk management guidelines, which are prepared in line with the NBFC regulations.

The Fund manages this risk by limiting exposure to any single investee company to the extent of 10% of issued capital of that investee company and the net assets of the Fund with overall limit of 30% to a single industry sector of the net assets of the Fund (the limit set by NBFC regulations). The Fund also manages its exposure to price risk by reviewing portfolio allocation as frequently as necessary and at least once a quarter from the aspect of allocation within industry and individual stock within that allocation.

The analysis of sensitivity of the Fund's net assets attributable to unit holders to equity price movements at year end is based on the assumption that KSE-100 index increases by 5% and decreases by 5%, with all other variables held constant and that the fair value of the Fund's portfolio of equity securities moves according to their 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 expected volatility of index of over next year. The historical correlation of the Fund's equity portfolio with the index is based on the average correlation of movement in price of individual security to movement in index over a period of at least past three years.

The following table illustrates the sensitivity of the income for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each Statement of Assets and Liabilities date, with all other variables held constant.

	June 30, 2016	June 30, 2015
Note	----- (Rupees) -----	
Income statement	<u>64,341,707</u>	<u>57,589,514</u>
Unit holders' fund	<u>64,341,707</u>	<u>57,589,514</u>

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

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

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

21.5 Fair value of financial instruments

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

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

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

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

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

As at June 30, 2016				
	Level 1	Level 2	Level 3	Total
Investments classified as 'at fair value through profit or loss' - held-for-trading	----- (Rupees) -----			
- Equity securities - quoted	<u>1,286,834,148</u>	<u>-</u>	<u>-</u>	<u>1,286,834,148</u>
June 30, 2015				
	Level 1	Level 2	Level 3	Total
Investments classified as 'at fair value through profit or loss' - held-for-trading	----- (Rupees) -----			
- Equity securities - quoted 1,151,790,278	<u>-</u>	<u>-</u>	<u>1,151,790,278</u>	<u>-</u>

During the year ended June 30, 2016, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

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. DATE OF AUTHORISATION FOR ISSUE

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

24. GENERAL**24.1 Figures are rounded off to the nearest rupee.**

24.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

For Alfalah GHP Investment Management Limited
(Management Company)

Chief Executive Officer

Director

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

(i) UNIT HOLDING PATTERN OF THE FUND

Category	As at June 30, 2016			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	102	2,234,709	281,740,305	18%
Associated Co./ Directors	5	4,032,810	508,435,321	33%
Banks/Dfis	-	-	-	0%
Insurance Co.	3	550,961	69,462,218	5%
Retirement & Other Funds	15	3,931,803	495,700,932	32%
Others	12	1,368,241	172,500,667	11%
	137	12,118,524	1,527,839,442	100%

Category	As at 30 June 2015			
	Number of unit holders	Number of units held	Amount Rupees	% of total
Individuals	64	2,258,096	263,316,316	22%
Associated Co./ Directors	1	2,644,886	308,419,795	26%
Retirement & Other Funds	14	3,999,589	466,391,653	40%
Other Corporate	5	581,396	67,796,490	6%
NBFCs	1	154	17,995	0%
Insurance Company	2	558,990	65,183,723	6%
	87	10,043,111	1,171,125,972	100%

(ii) TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID
**30 June
2016**

	%
Inter Market Securities Limited	10.44%
Taurus Securities Limited	9.72%
IGI Finex Securities Limited	8.26%
Al Habib Capital Markets Limited	7.43%
Topline Securities (Pvt) Limited	5.74%
Arif Habib Limited	5.70%
Optimus Capital Management (Pvt) Limited	5.28%
BMA Capital Management Limited	5.14%
Habib Metropolitan Financial Services limited	4.94%
Invest & Finance Securities Limited	4.90%
Elixir Securities Pakistan (Pvt.) Limited	4.26%
Ismail Iqbal Securities (Pvt.) Limited	4.09%
KASB Securities Limited	3.59%
Foundation Securities Limited	3.47%
AKD Securities Ltd.	3.02%
Next Capital Limited	3.02%
Alfalah Securities (Private) Limited	2.70%
Global Securities Limited	2.44%
Fortune Securities Limited	2.42%
JS Global Capital Limited	2.08%
Summit Capital (Private) Limited	1.36%

**30 June
2015**

	%
IGI Finex Securities Limited	12.75%
Topline Securities (Pvt) Limited	12.26%
Invest & Finance Securities Limited	12.20%
Al Habib Capital Markets Limited	9.75%
BMA Capital Management Limited	9.13%
Habib Metropolitan Financial Services Limited	8.49%
Taurus Securities Limited	7.84%
Arif Habib Limited	7.74%
Foundation Securities Limited	6.68%
Fortune Securities Limited	4.16%

(iii) PARTICULARS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Maheen Rahman
Noman Soomro
Shariq Mukhtar Hashmi
Muddasir Ahmed Shaikh
Nabeel Malik
Imran Altaf
Kashif Kasim

Maheen Rahman – CEO

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

Noman Soomro

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

Shariq Mukhtar Hashmi

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

Muddasir Ahmed Shaikh

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

Nabeel Malik

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

Imran Altaf

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

Kashif Kasim

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

(iv) ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

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

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

(v) Summary of Actual Proxy voted

Nature of Meeting	Meeting Date	Resolutions	Holding	%age Holding	Favour	Against	Abstain
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The Hub Power Company Ltd.

AGM	6-Oct-15	Election of Directors	728,500	0.063%	✓		
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Kot Addu Power Company Ltd.

EoGM	2-Oct-15	Election of Directors	790,000	0.090%	✓		
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HUM Network Ltd.

AGM	28-Oct-15	Confirm Minutes of previous AGM	1,970,000	2.085%	✓		
		Approval of Annual Accounts of the Company			✓		
		Declaration of Dividend			✓		
		Appointment of Statutory Auditor			✓		

Kohat Cement Company Ltd.

EoGM	27-Jun-16	Election of Directors	417,600	0.270%	✓		
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ENGRO Corporation Ltd.

EoGM	5-Aug-16	Sale / disposal of 51% shares of ENGRO Foods td.	236,000	0.045%	✓		
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**SUPPLEMENTARY NON FINANCIAL INFORMATION
AS REQUIRED UNDER SECTION 6(D), (F), (G), (H), (I), AND (J)
OF THE FIFTH SCHEDULE TO THE NON BANKING FINANCE
COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008**

PERFORMANCE TABLE

	30 June 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Net Assets (Rs. '000)	1,527,839	1,171,125	440,267	443,976	280,660
NAV per unit	126.0747	116.6099	102.7030	170.8240	121.4259
Selling price per unit	130.2427	120.4988	106.1579	175.0946	124.4615
Redemption price per unit	126.0747	116.6099	102.7030	170.8240	121.4259
Highest selling price per unit	142.3502	137.0684	152.1260	183.8189	131.2264
Highest redemption price per unit	137.7947	132.6447	148.4156	179.3355	128.0258
Lowest selling price per unit	117.6185	98.7204	114.9936	109.4221	100.2453
Lowest redemption price per unit	113.8545	95.5075	112.1889	106.7533	97.8003
Total interim distribution per unit	7.713	14.4405	44.562	Nil	Nil
Interim distribution date	29-Jun-16	23-Jun-15	30-Jun-14	N/A	N/A
Final distribution per unit	Nil	Nil	Nil	51.6711	18.7546
Final distribution date	N/A	N/A	N/A	4-Jul-13	5-Jul-12
Annualized returns	14.88%	27.70%	24.58%	66.38%	13.34%
Income distribution	6.61%	14.06%	26.09%	28.31%	20.07%

Return since inception is **28.85%**

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

بورڈ آف ڈائریکٹرز:

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

سال کے دوران بورڈ کے ممبران کی تبدیلی:

نام	عہدہ	تقرری	استعفی
جناب آصف سعد	ڈائریکٹر		استعفی
سید طارق حسین	ڈائریکٹر	تقرری	استعفی
جناب طفیل جاوید احمد	ڈائریکٹر	تقرری	

بورڈ اپنے سکورش ہونے والے ڈائریکٹر حضرات کا کھتی میں خدمات پیش کرنے پر شکر گزار ہے۔

آڈٹ کمیٹی کی مینگنز:

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

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

اظہار تشکر:

ڈائریکٹر کیوریٹیو ریٹائرمنٹ ایڈوائزنگ کمیشن آف پاکستان کے تعاون پر ان کا شکریہ ادا کرتے ہیں اس کے علاوہ بورڈ نے انتظامی کمیٹی کے ملازمین اور سٹیرنگ کمیٹی کا شکریہ ادا کیا ہے جنہوں نے انتظامیہ پر مکمل اعتماد کرتے ہوئے محنت اور لگن سے کام کیا۔

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر

مورخہ: 22 ستمبر 2016ء

مالی تفصیلات:

(ملین روپے)

برائے سال ۳۰ جون ۲۰۱۵ء	برائے سال ۳۰ جون ۲۰۱۶ء	تفصیل
1,71,125	1,620,739	اوسط صافی اثاثہ
290.634	301.601	مجموعی آمدنی
280.366	176.774	کل آمدنی
116.609	126.0747	فی یونٹ صافی اثاثہ کی ویلیو (پاکستانی روپے)
1,920.815	3,205.873	سال کے دوران پینس کا اجراء
1,298.169	3,016.838	سال کے دوران پینس کی کمی

ادائیگی:

زیر نظر سال کے آخر میں فنڈ کی تعداد ادائیگی کا فی یونٹ ڈیویڈنڈ 0.500 اور یونٹس 7.2129 فی یونٹ رہا۔

کارپوریٹ گورننس:

- انتظامی کابینہ اعلیٰ معیار کے کارپوریٹ گورننس پریکٹس رکھتی ہے لہذا اس کے مطابق بورڈ آف ڈائریکٹرز کی جانب سے درج ذیل کی یقین دہانی کی جاتی ہے:
- (اے) کابینہ کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کابینہ کی حالات، اس کے آپریشنز کے نتائج، کیش فلوا اور لیویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
 - (بی) کابینہ کے کھاتے مناسب طریقے سے رکھے جا رہے ہیں۔
 - (سی) مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور مختلط فیصلوں پر مبنی ہوتے ہیں۔
 - (ڈی) مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیار (IFRS)، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔
 - (ای) انٹرنل کنٹرول کے نظام مضبوط ہیں اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
 - (ایف) آنے والے سالوں میں افلاح جی ایچ پی انویسٹمنٹ لمیٹڈ کی انتظامیہ کے تحت فنڈز کے کاروباری تسلسل پر کوئی قابل ذکر ٹھنک و شبہات نہیں ہیں۔
 - (جی) مالیاتی گوشواروں میں تمام واجب الادا اسکیمز، ڈیویڈنڈ اور دیگر چارجز کی مکمل تفصیلات فراہم کر دی گئی ہیں۔
 - (ایچ) کابینہ میں کارپوریٹ گورننس کو مکمل طور پر نافذ کیا ہے جو کہ اسٹاک ریگولیشن میں درج ہے اور اس سے کوئی انحراف نہیں کیا گیا ہے۔
 - (آئی) اہم مالیاتی تفصیلات اس ڈائریکٹرز رپورٹ میں فراہم کر دی گئی ہیں۔
 - (یے) بورڈ آف ڈائریکٹرز کی میٹنگ کی تفصیلات اور ان میں متعلقہ ہر ڈائریکٹر کی شرکت ضمنی غیر مالیاتی معلومات کی سالانہ رپورٹ کے نوٹ نمبر (۱۷) میں دی گئی ہیں۔
 - (کے) اس سالانہ رپورٹ کی ضمنی غیر مالیاتی معلومات یونٹ ہولڈرز کی تفصیل نوٹ نمبر (۱۰) میں دی گئی ہیں۔
 - (ایل) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کے شریک حیات کی جانب سے فنڈز کے پینس کی تعداد ۳۰ جون ۲۰۱۶ء نوٹ نمبر 21.1 میں فراہم کر دی گئی ہے۔
 - (ایم) چیف ایگزیکٹو، ڈائریکٹرز، ایگزیکٹو ز اور ان کی شریک حیات کی جانب سے مطلوبہ پینس/تعداد ۳۰ جون ۲۰۱۶ء نوٹ نمبر 21.1 میں فراہم کر دی گئی ہے۔

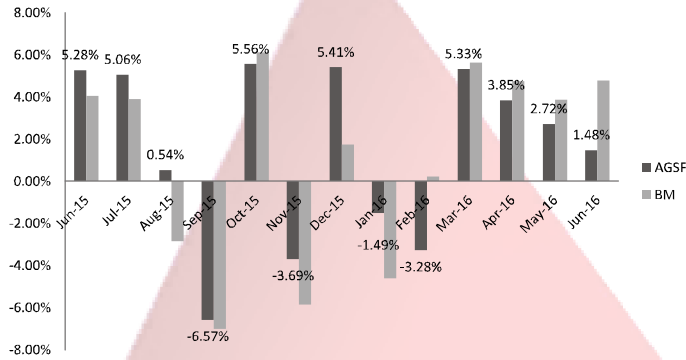
فڈ کی کارکردگی اور تجزیہ:

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

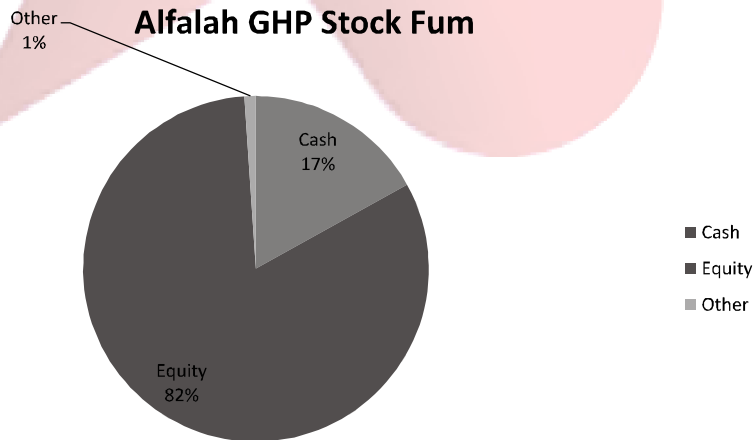
زیر نظر سال کے دوران آپ کے فڈ کی آمدنی شیٹ مارکے %9.84 (کے ایس ایم 100 انڈیکس) کے مقابلے میں %14.88 حاصل ہوئی جو کہ روپ کے ریک میں پہلی پوزیشن پر ہے۔

پورے سال کے دوران فنڈ کی کارکردگی کافی مضبوط رہی۔ منتخب سیکٹرز جسے سیبٹ اور پاور سیکٹرز نے اہم سپورٹ فراہم کی جبکہ ٹیکس اور ٹرانزیشن کے شعبہ جات میں کم حصہ داری نے بھی اہم کردار ادا کیا۔ سال کے دوسرے حصہ میں توانائی کے سیکٹر میں اضافہ کیا گیا جس کی بنیادی وجہ عالمی منڈی میں نام تیل کی قیمتوں کا بڑھنا تھا جو کہ ایک قابل عرصہ کے لئے \$30 / بیرل تک گر گئی تھی۔ فڈ کی سرمایہ کاری کی بنیادی توجہ مالی طور پر مضبوط کمپنیوں میں سرمایہ کاری پر رہی جبکہ دوسرے درجے کے حصص میں منتخب سرمایہ کاری نے فڈ کے شرح منافع کو سپورٹ کیا۔ یہی تناسب گزشتہ سال بھی رہا جس میں کارکردگی کی پوزیشن دوسری اور تیسری رہی۔

AGHP Stock Fund Vs Benchmark



Alfalsh GHP Stock Fund



ڈائریکٹرز رپورٹ:

ہمارے معزز یونٹ ہولڈرز،

الفالھ جی ایچ پی انویسٹمنٹ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز مالیاتی سال ۲۰۱۶ء کیلئے فنڈز کی سالانہ رپورٹ پیش کر رہے ہیں۔

اقتصادی جائزہ برائے مالیاتی سال ۲۰۱۶ء:

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

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

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

اسٹاک مارکیٹ:

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

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

منہی مارکیٹ:

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

مستقبل کا نقطہ نظر:

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

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

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








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
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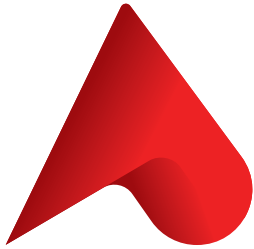


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